

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### READING AND RECEIVING PETITIONS

**Clerk:** — According to order, I have reviewed the following petitions, and under rule 11(7) they are hereby read and received: by Mr. Swan of the trustee board of the Saskatchewan Conference of Mennonite Brethren Churches of Swift Current, praying for an Act to amend their Act of incorporation; by Mr. Gleim of Millar Memorial Bible Institute in the village of Pambrun, praying for an Act to amend their Act of incorporation; and by Mr. Johnson of the religious order of the Sisters of Charity of Montreal "Grey Nuns," praying for an Act to amend An Act to incorporate Grey Sisters of the Immaculate Conception of Pembroke.

### INTRODUCTION OF GUESTS

**Hon. Mr. Martin:** — Mr. Speaker, on behalf of the Minister of Sports, Culture, Recreation and Multiculturalism, the member from Turtleford, it is my pleasure to introduce to you, and through you to all the members of the House and all gathered here today, to congratulate and to welcome and to appreciate Atina Ford, Darlene Kidd, Leslie Beck, Cindy Ford, and Harvey Forner who are the . . . the four ladies are the Canadian ladies junior curling championships. And, Mr. Speaker . . . and of course Harvey Forner was introduced the other day as the coach.

Mr. Speaker, I had the privilege of watching that game, the championship game, on Saturday afternoon on CBC (Canadian Broadcasting Corporation) a couple of weeks ago.

I was impressed. The quality of the Manitoba team was excellent but . . . and the quality of the Saskatchewan team was just that much better. And I think, Mr. Speaker, if I may say so, that it seemed to me that the difference was more in the sweeping than it was . . . There was a lot of quality in those four . . . eight ladies, but the sweeping was profound, particularly on that last shot on the 10th end when Atina missed that rock by just the merest of inches.

So I want to congratulate the rink, Mr. Speaker, and also of course to Harvey, who has a long list of champions from across this country in both the junior men's and junior ladies. I know that others want to speak about these curlers, Mr. Speaker, but . . . And also to the mother and dad, to Gary and to . . . (inaudible interjection) . . . Beg pardon. And all the parents who were here as members of the . . . with these young curlers.

So congratulations. It was a wonderful experience to see you curl as well as you did, and please all members of the House congratulate these young ladies.

**Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Thank you, Mr. Speaker. I want to join with the minister in congratulating the National

Junior Champions and having them here in our Legislative Assembly today. Just a couple of things that people might like to know about them because it is important when we win a Grey Cup or when we win the Memorial Cup or we win a national curling championship that we find out a little bit of information about these people.

Atina Ford, who skipped the rink and brought victory, provided some of the most exciting curling that you would see at the national level among juniors, probably in the history of Canada. The girls will go on and represent Canada in the world junior ladies' curling championships to be held in Glasgow, Scotland in March of 1991. Atina was voted and selected the most sportsmanlike curler at the championship and selected the all-star skip of the championship.

Darlene Kidd was named all-star third for the championship. Cindy Ford, Atina's younger sister, was selected the all-star lead of the championship, and she isn't 16 yet . . . (inaudible interjection) . . . Oh my goodness, today!

**Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — And as you may know, Mr. Speaker, the Ford rink is part of the Saskatchewan First program and also represented zone 2, Regina, at the 1991 Saskatchewan Winter Games, February 14 to 28 in Melfort.

The Ford rink will be going through with the team Saskatchewan, Saskatchewan First selection process. And they do have an opportunity to go to Switzerland, as I understand will be the case as a result of them winning the championship.

They come from a family of curling, Mr. Speaker, and if you just allow me, I want to particularly congratulate their father, or Tina's father and Cindy's father, Gary Ford, who is a cousin of mine. And as you probably know, Gary curled several times in the national finals with Peewee Pickering. And curling has been in the family for some time.

And behind me, Mr. Speaker, finally, and I appreciate your time, are many of the relatives that are seated in the gallery above me, and a good number of them, Mr. Speaker, are the Ford family, including my mother. And we are very proud of the fact that they could be here today.

And I know when I watched that last shot I certainly thought of my grandfather, Fred Ford, who I am sure was watching, Mr. Speaker, to see his great-granddaughter win the Canadian national championship. So it's a proud day for me and my family and our relatives to have the national champions here with us today. We're going to be having tea afterwards, and they make us all feel really, really proud.

**Hon. Members:** Hear, hear!

**Mr. Pringle:** — Thank you very much, Mr. Speaker. I

would like to, on behalf of my colleagues, to join the Premier and the Minister of the Family in welcoming the champion curling team here. You certainly served the province well and contributed to that Saskatchewan pride that we're so well-known for in the sporting world, and we want to endorse your tremendous accomplishment and say happy birthday as well. We wish you all the success in your further competition and all the best in terms of the sportsmanship, and all of Canada will be pulling for you. So we wish you well and we're very proud of you.

**Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — Thank you very much, Mr. Speaker. I would like to join with hon. members in welcoming and congratulating the Canadian junior women's curling champions, Atina and Cindy Ford, of course, from Gray, and Darlene Kidd from Lumsden. I've had the pleasure, Mr. Speaker, of curling with three of the girls. It wasn't enough to lead to any success; they were carrying a heck of a load, I must say that, but a great bunch of young women, Mr. Speaker. As well, it was mentioned that today is Cindy's birthday, and we certainly wish her a very, very happy birthday. But as well as the Fords, Gary Ford in the gallery, the other parents and, I believe, one grandmother of one of the girls is also here, and I'd like to extend a special welcome to the families who are very proud today, just as proud, I suspect, as the winning young ladies. My congratulations.

**Hon. Members:** Hear, hear!

**Hon. Mr. Gerich:** — Thank you, Mr. Speaker. It gives me great honour to introduce the president of Shandong University of Jinan, The People's Republic of China, Dr. Pan. Accompanying him is Mr. Liu, associate director of foreign affairs from Shandong University, and Mr. Yu, their interpreter. In the role as the host is Mr. Hsieh from the University of Regina.

Mr. Speaker, I would like to point out that the University of Regina's history with the University of Shandong was one the first two linkages of Canadian institutions to be established with China. On a personal note, I wish to extend my own welcome to Dr. Pan. I had the pleasure of meeting him a while back on an education mission to China with the Minister of Culture and Recreation in 1984. I look forward to meeting with Dr. Pan this evening to relive some of the fond memories I have of China.

Mr. Speaker, I ask that my colleagues extend a warm welcome to Dr. Pan and his delegation, and that they have a pleasurable stay in Saskatchewan.

**Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Mr. Speaker, I would just like to join with the minister in welcoming our guests from China, and continue to remind them that we've had a very good working relationship over the years and really appreciate the fact that they could take the time to be here with us today, and wish them all the best in their endeavours.

And while I'm on my feet, Mr. Speaker, I want to introduce two gentlemen that are in the Speaker's gallery,

who are anxious to be in the legislature but so far can only watch, Mr. Speaker, but probably may have the opportunity in the near future. They're two newly elected candidates, Mr. Speaker, and as you know, as the leader of the opposition said yesterday, it's very important that the process carry on in democracy.

And in democracy, I want to say that we are very proud of two young vigorous gentlemen. One is Mr. Dwight Dunn who will represent the Indian Head-Wolseley constituency, and another is Mr. Dale Blair who will represent the Humboldt constituency for our political party. And we just want them introduced in the legislature today.

**Hon. Members:** Hear, hear!

**Mr. Shillington:** — Thank you very much. Mr. Speaker, I know that you and all members will want to join with me in welcoming 20 students from Connaught School here in Saskatchewan, in Regina. They've been in the legislature and had a tour, and shortly after question period I'll be joining with them to go over with them what they've seen.

They're accompanied by their teacher, Janet Thompson; and two parents, Susan Drager and Jeannette Revet have been good enough to come along and assist. And I know members will want to join with me in welcoming them here.

**Hon. Members:** Hear, hear!

**Hon. Mr. Martin:** — Thank you, Mr. Speaker. A few days ago I had an opportunity to introduce to you, and to other members of the House, members of the civil service. This is part of a tour package that's been going on, Mr. Speaker, members of the civil service. They are participating in an in-depth tour of the legislative buildings and to get a firsthand glimpse at the different aspects of the legislative process.

Mr. Speaker, these tours — today it includes 32 members in your gallery, Mr. Speaker — have been taking place since January and have been very successful. They are providing important insights to people who work in the various departments and are building a strong team spirit between all of those people who serve, literally, the people of Saskatchewan.

Today's visitors, Mr. Speaker, come from the Department of Health, and the Department of Education, Economic Diversification and Trade, Executive Council, Highways, and Urban Affairs. Mr. Speaker, I'd like to thank them for their professionalism and for their dedication to the people of this province. And I'd like to ask all members to please join me in welcoming them to the legislature today.

**Hon. Members:** Hear, hear!

**Hon. Mr. Hardy:** — Thank you, Mr. Speaker. I notice sitting in the west gallery, a friend of all farmers and rural municipalities in the province of Saskatchewan today, the president of SARM (Saskatchewan Association of Rural Municipalities), Bernard Kirwan and his wife Zella. And I'd like members of the Legislative Assembly to join

with me in welcoming the president to our Assembly.

He has a great interest in farming, Mr. Speaker. He represents not only, as we do, a constituency; he represents the entire province as president of 299 RMs, and I think he does an excellent job. He represents us all, as I know he's met with many here in the Legislative Assembly today, both sides, and I'd like all members to join with me in welcoming the president and his wife to our Assembly.

**Hon. Members:** Hear, hear!

## ORAL QUESTIONS

### Contract of President of Potash Corporation of Saskatchewan

**Mr. Lingenfelter:** — Mr. Speaker, I have a question to the Premier and it deals with an issue that the Minister of Finance took notice of yesterday. Mr. Premier, Chuck Childers, the president of the potash corporation, as well as receiving the outrageous salary of \$550,000, Mr. Speaker, has another interesting part to his contract. And I want to quote from the document that was sent out to shareholders recently. It says:

All compensation payable to Mr. Childers under his agreement is subject to adjustment, based upon the difference in income tax in Canada and in the United States.

Now, Mr. Speaker, many Saskatchewan people will wonder why an individual working in Canada for a Canadian company, enjoying the benefits of Canada, would be given the advantages of being taxed under the American system. And in consulting with tax experts today in Regina, we find that in order to get his salary up to what it would be if he were taxed in the United States, he would have to receive an extra hundred thousand dollars in take-home pay. Can you confirm that number, Mr. Premier, or give us the accurate number if you have it with you today?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — Mr. Speaker, certainly, and it's no understatement, Mr. Childers makes a great deal of money.

I would like to indicate, Mr. Speaker, that the main competitor for the Potash Corporation of Saskatchewan is a company called IMC (International Minerals and Chemical Corporation (Canada) Ltd.). And IMC, Mr. Speaker, in 1989, I believe, paid its chairman, president, chief executive officer \$861,410 U.S. Mr. Speaker, its senior vice-presidents were in the range of \$400,000 U.S.

Now, Mr. Speaker, the hon. members say, oh, oh, shame. Mr. Speaker, I suggest that when we are in a competitive environment, as PCS (Potash Corporation of Saskatchewan, Inc.) is in a competitive environment, it has no choice, Mr. Speaker, but to attract people and pay the salary of that industry. It's difficult, it's expensive, but, Mr. Speaker, those are the salaries being set by that industry. PCS has no choice but to be competitive.

**Some Hon. Members:** Hear, hear!

**Mr. Lingenfelter:** — Well, Mr. Speaker, a new question to the Premier. In light of the answer by the minister responsible for the potash corporation, I suppose you could have used the income of the King of Saudi Arabia to bolster your argument.

But what I want to say to you, Mr. Premier, is this: that at a time when the people of Saskatchewan are suffering and farmers are being forced off the land, and the tax auditors and tax experts are telling us that in order to have an extra hundred thousand dollars in take-home pay Mr. Childers would have to be paid about \$740,000 a year . . . Now, Mr. Premier, at a time when your minister of families is saying he has \$740,000 for 64,000 hungry kids in the province, do you think it's fair that one individual would get that same amount of money for managing the potash corporation?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — Well again, Mr. Speaker, I have indicated that certainly the amount that Mr. Childers makes is a lot of money. I have also indicated, Mr. Speaker, that the people from IMC, the main competitor, pays considerably more, Mr. Speaker. And in that industry, PCS must be competitive for the people it gets.

I do find it interesting, Mr. Speaker, that that very fact was recognized by the New Democratic Party when Jack Messer — Jack Messer now working for the New Democratic Party — and David Dombowsky had a \$600,000 contract as consultants for Manitoba to try and sell potash, Mr. Speaker, to simply try and get a contract, much less do anything else, Mr. Speaker. They obviously knew the competitive situation in the potash industry.

**Some Hon. Members:** Hear, hear!

**Mr. Lingenfelter:** — Mr. Speaker, a new question to the Premier. Mr. Premier, the bottom line is here, Mr. Premier, that one individual has come here to Saskatchewan to manage a Canadian corporation and is getting as much salary as you have allowed for 64,000 hungry kids. That's the issue, not how much someone else in some other part of the world is making.

Mr. Premier, after question period I intend to move a motion that would reduce to a reasonable level the salaries of the three major corporate directors of the corporation. And I want to say to you, Mr. Premier, we're going to be moving this motion and asking for leave of the Assembly, and leave from you yourself as Premier, to move this motion. And I ask you now whether you will agree to give leave to move this motion.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — Mr. Speaker, I have freely acknowledged today that what Mr. Childers earns is a great deal of money. I have also indicated today, Mr. Speaker, that the main competitor for the Potash Corporation of Saskatchewan, Inc. pays even more, Mr. Speaker, and the potash corporation must compete with

those people. Unfortunately, Mr. Speaker, that's the real world. I am pleased to recognize today, Mr. Speaker . . .

**The Speaker:** — Order, order.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. I know the hon. members don't like to hear the information of the competitive situation that PCS is in. But I am, Mr. Speaker, again prepared to indicate that even the New Democratic Party saw fit to pay \$600,000 to Jack Messer, David Dombowsky, and, Mr. Speaker, they weren't running a potash mine. They weren't selling potash. They were trying to raise money in India so that India would buy a mine. That's peanuts compared to trying to run an operation and sell it internationally, and they paid \$600,000 plus, just for that modest little step, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Lingenfelter:** — Mr. Speaker, a question to the Premier, and I would like him to answer this because as the person supposedly running the province I think he has a major responsibility here. But I ask the Premier, what is the salary of Mr. Childers? It says in the report that the cash compensation is 549,760. On the following page it says that after tax considerations the amounts shown in the table for Mr. Childers and Mr. Doyle do not include such adjustments as the amounts have not yet been determined. Can you indicate to the Assembly and the people of the province how much money Mr. Childers and Mr. Doyle are making off the people of Saskatchewan at a time when farmers are being forced off the land and children are going hungry? How much is it?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — I'll repeat for the third time today, Mr. Speaker, that yes, it is a great deal . . .

**The Speaker:** — Order, order.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. I will repeat for the third time that certainly it is a great deal of money. Secondly, that in the industry, Mr. Speaker, it is not as much as being paid by the main competitor for the potash corporation. And, Mr. Speaker, for the amount of work . . . I'm glad that the New Democratic Party recognize the competitive nature of that industry and paid John Messer, or Jack Messer and David Dombowsky, at least \$600,000.

Having said that, Mr. Speaker, the company is now a privatized company. And the New Democratic Party . . . and in the thousands they bought shares, Mr. Speaker, in the potash corporation. They can now go to the annual meeting, stand up on the floor, and ask that very question from management and get the answers, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

### Population Loss

**Mr. Hagel:** — Mr. Speaker, I address my question to the Premier as the minister responsible for overall government policies. Mr. Premier, the Bureau of Statistics

figures today show that in March, 3,213 people left Saskatchewan while only 725 moved here, for a net loss of nearly 2,500 people in March. That brings the total loss, Mr. Premier, this year, to over 5,400 so far, dropping our population significantly below the million mark which you, sir, which you said is the bench-mark figure for economic strength in our province.

That shows, in my view, Mr. Premier, a significant lack of confidence in your government. And I ask you, sir, do you think that these people who are leaving Saskatchewan to find work — to find work — do you think that these people should be content with the knowledge that Chuck Childers earns some \$700,000 with salary and bonuses? Mr. Premier, I ask you, what do you tell them?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Mr. Speaker, what we have to look at here is what is the root of this problem? And that is that the social experiments of the members opposite inflicted upon the people Saskatchewan for a period of 40 years have generated a negative attitude in this province that we have tried to resist and turn around in the last eight years. And you cannot turn that negative kind of an attitude that they display, even today in the legislature, into something positive.

People will go where there are opportunities, and we have to build opportunity in this province. And we cannot do it dragging an anchor like the people in the opposition in this province while we're trying to build this province. Manufacturing in the last eight years is up 600 per cent, and every one of those projects, the members opposite were against. What are they for?

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — Mr. Speaker, a new question. I'll direct it again to the Premier. Mr. Premier, in light of your minister's comments about the positive news, there would not be a lot of people in Saskatchewan . . .

**The Speaker:** — Order, order. I would like to ask all members to give the gentleman from Moose Jaw North an opportunity to speak.

**Mr. Hagel:** — Thank you very much, Mr. Speaker.

**The Speaker:** — Order. I'd just like to remind the Minister of Justice to allow the member from Moose Jaw North to put his question, and anybody else who is so inclined as to interfere with the member from Moose Jaw North.

**Mr. Hagel:** — Thank you again, Mr. Speaker. Mr. Premier, I think anyone, any sensible person would be of the view that March's news was not positive, as your minister would seem to indicate. March, as a matter of fact, Mr. Premier, represented the highest population loss this year so far, over half those people between the ages of 15 and 34, quite frankly, Mr. Premier, voting with their feet.

And I say, Mr. Premier, that there is a consensus. You don't need to get together 100 folks to find out that our young people are heading for the border. And I ask you,

sir: Mr. Premier, when will your government start addressing this tragic problem of the loss of the young people of Saskatchewan? When does it start? When are you going to offer some hope for the young people and the families of Saskatchewan?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Mr. Speaker, there are 40,000, to be exact 39,500 more people living in Saskatchewan today than the day that we were elected. The member opposite says people are leaving. Yes, people will go where there is opportunity — 63 per cent of our out-migration was to Alberta and British Columbia. Those two provinces have had a total of three and a half years of social democratic mismanagement in their history. That's why people are going there. We are countering that kind of a negative attitude. It's the small-mindedness of the people opposite that we are fighting in this province.

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — Mr. Speaker, I'll go to the minister. Mr. Minister, the people of Saskatchewan have had eight years of Tory mismanagement in this province. That's what you've inflicted on them.

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — Mr. Minister, since your privatization policies became your number one economic, ideologically driven policy in 1985, Saskatchewan has suffered a net loss of over 65,000 people from our province — over 65,000. Privatization has worked well for Chuck Childers and his salary and stock options, but it hasn't worked particularly well for the high school students of our province who are trying to get into overcrowded universities, and trying to find work, including this summer, Mr. Minister.

Mr. Minister, I understand that privatization has become the P-word for your government. You don't like to talk about it any more. But I ask you, sir, just when will, just when will privatization start to pay off to keep the young people at home in our province of Saskatchewan?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Mr. Speaker, Alberta and British Columbia have always been private. That's why they haven't bothered to privatize; they never bothered with any other stupid experiments. They were always private.

And therefore they have an infrastructure that is diversified. Alberta has fertilizer plants. We have to build them. Alberta has petrochemical plants; Alberta has upgraders; Alberta has a diversified cattle and hog industry; Alberta has packing plants — all the things the members opposite have been opposed to. The members opposite would propose that they lead us to the prosperity of eastern Europe. Well I don't want that kind of prosperity, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

#### Red Cross Study of Health Services

**Ms. Simard:** — Thank you, Mr. Speaker. My question is to the Premier, and it concerns the study undertaken recently by the Red Cross. And, Mr. Speaker, I do think we should talk about the negative attitude in Saskatchewan — a negative attitude that is caused by the government and its policies, not the opposition.

Mr. Minister, that study found that throughout this province, community spirit and the sense of community is being eroded. And one reason for this is the lack of a community-based health system. People said there was a shortage of mental health counsellors, especially in rural areas; an acute shortage of public health workers; too much centralization of services; and a lack of a co-ordinated approach to health care.

Well, Mr. Premier, there you have it. There's your consensus report on health care in Saskatchewan. Are you going to quit sloughing off these problems to another committee, and are you going to do something now about these problems, Mr. Premier?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, yes, the hon. member raises a very extensive report that was prepared by the Red Cross in this province. I've been aware of it, and I have had discussion with Ms. Barr, the executive director of the Red Cross here in Saskatchewan, about the whole thing. The member will characterize this report as being very specific regarding mental health workers, I think she used — community health services, some of those things. Those were two aspects of a very extensive report that talked about the whole of the province and many things in it.

I would just say to the hon. member and to all members of the House, Mr. Speaker, that while the hon. member can stand in her place and for the short-term political sort of headline that she thinks she might receive to say, how are you going to slough off health services and all that, to use her terms, I'd say to the hon. member, that in these difficult times in agriculture that everybody in this province is aware of, which is the basis of our economy — in those times, this government has provided an increase of almost 10 per cent in the health care budget.

We acknowledge that there are difficult . . . in that mental health area you've heard me say in the legislature during this session, the mental health area is an area that I'm concerned about as he who is responsible for health care services. We have put up extra money for health care services this year over and above last year, and will do the same next year.

Mr. Speaker, we are attempting to do what the people have asked us to do through consultation. And, Mr. Speaker, it's not enough to be just negative, as that member continues to be.

**Ms. Simard:** — New question, Mr. Speaker, to the Premier. Mr. Premier, I must say that are our party's policy commission on health care arrived at very similar conclusions to those of the Red Cross, and we didn't need to set up a group of 100 citizens to look into the matter.

We went out and talked to the people ourselves.

**Some Hon. Members:** Hear, hear!

**Ms. Simard:** — The Red Cross study also identified matters such as family violence, no jobs for young people, out-migration, privatization, the pitting of rural Saskatchewan against urban as major factors, Mr. Premier, in the feeling of the loss of community. These are all things that we've been pleading with you to get a handle on for the last two years, Mr. Premier. And you turned a deaf . . .

**The Speaker:** — Order, order. I've been listening closely to the hon. member's line of questioning. I believe your preambles are sometimes verging on debate and a bit too long, which will provoke a long answer. I ask you to put your question, and if your questions aren't too long, I naturally expect that ministers' will not be too long.

**Ms. Simard:** — Thank you, Mr. Speaker. I was just about to ask my question.

Mr. Premier, you turned a deaf ear to us. Are you going to turn a deaf ear to the Red Cross too?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, I think if the hon. member was to ask the Red Cross if they have had a deaf ear turned to them, she would get a negative answer in a hurry.

The Red Cross does not believe for a moment — for a moment — that there has been a deaf ear turned to the report that they have done. So the member can raise that spectre if she likes in the context of the legislature for a headline, but it is not the fact.

Mr. Speaker, the members opposite will raise issues like that and say we had our own party task force and we know the answers. They say they know the problems; they have not come up with the solutions. Their solutions were these, Mr. Speaker, two. These solutions: closures of five hospitals in a rural area during . . . in the context of a by-election in Assiniboia-Gravelbourg; a letter from that leader over there who said, all of your hospitals will close. Now that's a positive attitude for people's attitudes across the province, isn't it Mr. Speaker?

And they built the T.C. Douglas Building over here instead of . . .

**The Speaker:** — Order, order. The member for the Battlefords is interfering with the authority of the Chair by hollering at the Chair in a loud, boisterous manner. I ask him now to rise and without any equivocation apologize to the Chair and the House.

**Mr. Anguish:** — I apologize to the Chair and the House.

**Ms. Simard:** — Thank you, Mr. Speaker. Mr. Speaker, I find it very interesting that when we raise problems time and time again in this House, all we get from the members is anger, and they keep blowing their tops instead of dealing with the issue.

**Some Hon. Members:** Hear, hear!

**Ms. Simard:** — Mr. Premier . . . New question to the Premier, Mr. Speaker. In the fiscal year 1988 . . .

**The Speaker:** — Order, order. I'm going to ask the Minister of Family to not interfere with the member. And as I have mentioned earlier, I think it's the courteous thing to do for members not to continually interfere with whoever is speaking.

**Ms. Simard:** — Thank you, Mr. Speaker. New question to the Premier. In the fiscal year '88-89, your government paid about \$1 million for an image consultant and for polling. And a lot of that was spent by the Department of Health.

Mr. Premier, you've paid all that money. And on top of that, there are major expenditures for the Murray commission. You had this information that the Red Cross put out in this study. You've had it a long time ago, and you should have acted on it, Mr. Premier.

How long are you going to keep hiding behind the Murray commission task force and Consensus Saskatchewan before you decide to take action and put in place the health care system that we need for the 1990s?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Two things, Mr. Speaker. This government has not hidden behind the Murray commission. We believe that it's important, the work that the Murray commission has done. And the 600, more than 600 submissions that went to the Murray commission were important aspects of the development of a blueprint for health care into the long-term future of this province.

We believe in that. We are not hiding behind the Murray commission report as the member, in her negative way, will say.

Mr. Speaker, we have not hidden behind it in this sense either. We have increased health care spending in this coming fiscal year by \$136 million over what was spent last year.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — That's not hiding behind anything. That's putting money out there for the problems which we acknowledge exist.

**Some Hon. Members:** Hear, hear!

### Evaluation of Core Curriculum

**Ms. Atkinson:** — Mr. Speaker, my question is directed towards the Minister of Education. Mr. Minister, earlier this week our caucus raised with you in question period the fact that your department has spent a lot of money on image consulting, polling, and direct mail approaches.

Now, Mr. Minister, will you confirm that your department

recently sent a letter to parents of school children in Saskatchewan regarding the core curriculum and information regarding evaluation of the new system, and that the mailing was undertaken by Dave Tkachuk, the former principal secretary to the Premier of Saskatchewan? And can you also tell us how much this mailing cost the taxpayers of Saskatchewan?

**Hon. Mr. Meiklejohn:** — Mr. Speaker, we're very proud of the new programs that are going on in this province. With the new core curriculum coming on stream and the need to consult with parents and educators all over the province, it is necessary for the department to be in contact with them.

Yes, we have just recently sent out a report to parents. We are asking for feedback from them with regard to the educational programming that is taking place, and a card was enclosed where we are seeking their input and response. And, Mr. Speaker, I would suggest to the hon. member and to the members of the House that the response has been tremendous to this, and we will continue to consult with the parents of this province.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — Order, order. Minister of Finance . . .

## MOTION UNDER RULE 39

### Level of Salaries

**Mr. Lingenfelter:** — Mr. Speaker, I rise under rule 39 to move a motion that we believe to be of urgent and pressing necessity, and it deals with the exorbitant level of salary being paid to a number of individuals that we raised in question period.

It also deals with the fact that not only do these individuals, Mr. Chuck Childers, for example, get paid over \$500,000 but they're also able to apply for and receive extra moneys as a result of applying for taxation under the U.S. system of taxation as compared to here in Canada. And for that reason, in light of the fact that thousands of farmers are being forced off the land, in part by the government, in part by other factors — that there are 64,000 hungry children, I want to move the following motion:

That this Assembly . . .

**An Hon. Member:** — Mr. Speaker, on a point of order.

**The Speaker:** — Order, order.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker, we had a whole question period where they didn't mention agriculture once, and now he wants to tie it to another debate, Mr. Speaker. I say that he's trying to give a speech . . .

**The Speaker:** — Order, order. I'm not sure I heard the point of order, and the relationship to question period really isn't there. If you have a point of order, a legitimate point of order, I'll listen to it, but I wasn't able to quite hear all your remarks to be quite frank with you.

**Hon. Mr. Lane:** — My point of order simply was that the hon. member wouldn't raise the matter of agriculture during question period. Now he's . . .

**The Speaker:** — Order, order. The issues the opposition raises during question period isn't relevant to rule 39. However, having said that, no debate or only very, very brief remarks are allowed under rule 39, just to try to inform the House as briefly as absolutely possible the reason for the moving of the motion. I believe you've done that, and I ask you now to put the motion.

**Mr. Lingenfelter:** — Mr. Speaker, I appreciate your intervention, and I want to move the following motion based on questions we asked in the House that dealt with the salaries, and I want to move the following motion:

That this Assembly instruct the Government of Saskatchewan, through the Crown investments corporation which is a major shareholder of the Potash Corporation of Saskatchewan, to use its shares at the May 10, 1990, shareholders' meeting to pass a resolution reducing the salaries of Mr. Charles Childers, William Doyle, and John Gugulyn to a more reasonable level.

And I would ask leave that that motion would be accepted.

Leave not granted.

(1445)

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### COMMITTEE OF FINANCE

#### Consolidated Fund Budgetary Expenditure Consumer and Commercial Affairs Ordinary Expenditure — Vote 4

**Mr. Chairman:** — Would the minister introduce his officials.

**Hon. Mr. Klein:** — Thank you, Mr. Chairman. I would introduce at this time the officials that I have with me: Ron Kessler, my deputy minister; behind him we have Donna Kellsey, the acting director of administration and human resources; and Mac MacGillivray, behind me, the Superintendent of Insurance.

#### Item 1

**Mr. Calvert:** — Mr. Chairman, I wonder if the minister wants to take an opportunity to introduce his officials to the House.

**Mr. Chairman:** — The minister already introduced his officials.

**Mr. Calvert:** — Mr. Minister, to begin the estimates of your department, I just want to say at the very outset I hope that we can spare each other long tirades, either

from your side or from this side. The time of the legislature here is very precious, and there are important questions that we need to get to, so I think it's best we just do that.

Mr. Minister, I want to begin the estimates of your department by discussing with you an issue that, at least in my hearing, you have not discussed in this House during the course of this session, and I refer particularly to the matter of the investors in Principal Trust, many of whom — all of whom lost substantial portions of money in the collapse of Principal Trust, and their concerns are the concerns that your department and you as a minister must deal with.

Mr. Minister, since last this House sat, we have all been delivered the report of the Saskatchewan Ombudsman, the *Special Report on the Regulation of FIC (First Investors Corporation) Ltd. and AIC (Associated Investors of Canada) Ltd.* by the Saskatchewan Superintendent of Insurance, the Ombudsman's report into the collapse of Principal Trust.

Mr. Minister, I would like to begin our conversation this afternoon simply by reading again the conclusion that the Ombudsman reached at the close of his report. He said, and I quote:

In light of the above, and the legal complexities notwithstanding, I feel there is a moral imperative on the Government of Saskatchewan to offer appropriate compensation to the investment contract holders in this Province.

Mr. Minister, this is the conclusion of the Saskatchewan Ombudsman in his investigation of this matter, and so I ask you, first of all, Mr. Minister, if you are prepared today in the House to announce what will be the response of your government to this, the conclusion of the Ombudsman's report?

**Hon. Mr. Klein:** — Mr. Chairman, I recognize that approximately 5,000 investors lost money — Associated Investors and in First Investment, not in Principal Trust — and they will not recover all of their investment. They will recover quite a bit of it, and it's unfortunate when people of our province are exposed to losses such as that.

But the government representing the balance of the people of this province, approximately 1 million, does not agree with the conclusions reached by the Ombudsman. And the principle of the primary jurisdiction being responsible for the regulation of financial institutions has been in effect for many decades, and in fact even when the members opposite were in power it was used. And this has now been formalized with a national agreement. Therefore we do hold the Government of Alberta responsible.

As you are aware, as everybody is aware, a number of investors, over some 600 or so, have commenced a legal action against the Government of Saskatchewan relating to its regulation of these companies. And since the matter is before the courts, and over the last few years these answers have all been responded to, it would not be appropriate for me to comment on this matter at this time. It is for the courts to determine if indeed any liability exists

by our government to the investors.

**Mr. Calvert:** — Mr. Minister, it is almost three years ago since those who invested money in First Investors and Associated Investors saw their money lost in the collapse. It's almost three years ago. In the course of those three years, not you, sir, but other members of your government and other ministers of the Crown have alternately hidden behind the Code report, saying, we cannot comment until the end of the Code report.

When the Code report was released, then the line became, well we can't comment because we have to wait for the Ombudsman's report. And now you're coming to the House saying that you can't comment because it's before the courts.

Well I don't accept that, Mr. Minister, and I think the investors have waited precisely long enough for some clear definitive response from your government to their concerns and to the conclusion of this Ombudsman's report, this impartial, thorough report into the matter of the collapse.

Mr. Minister, are you saying in your answer that you just gave that you are not prepared to assist Saskatchewan investors. Is that what you're saying?

**Hon. Mr. Klein:** — Mr. Chairman, I'm not going to repeat the answers, and I hope that they don't ask the questions that have been asked for over two years now in this Assembly. And I can only respond that since the matter is before the courts, it would not be appropriate to comment on this matter.

**Mr. Calvert:** — Mr. Minister, that is simply not acceptable. That is simply not acceptable. These are not old questions that we're putting today, even though we've never received clear answers to many of the questions we've put.

This is a new question because it's based on a new report, the report of the Ombudsman into the collapse — a report done, sir, by the Ombudsman to this government, your Ombudsman addressed. That's what I'm asking you to comment on, not the court case. I'm asking you to comment on the Ombudsman's report.

He indicates at the conclusion of his report that in fact you have a moral responsibility to the Saskatchewan investors. I'm asking you very plainly to say to this House, and through this House to the investors and to the people of Saskatchewan, are you prepared to assist Saskatchewan investors?

**Hon. Mr. Klein:** — Mr. Chairman, very clearly I will respond. A new answer, that since the Ombudsman report, certain investors have taken it to the courts, and since the matter is before the courts, it would not be appropriate to comment on this matter.

**Mr. Calvert:** — Mr. Minister, let's understand. About 10 per cent of the investors are involved in the court action, and I recognize there is a court action going on. Indeed I recognize your government seems to be in the courts on issue after issue after issue.



But this too, Mr. Minister, is in a sense a court. This is the court of public opinion, and you are responsible to this court, to this legislature, to respond to the people of Saskatchewan and their concerns and questions.

Mr. Minister, then let's move just a little bit. You indicated in your opening comment that you do not accept or recognize the Ombudsman's conclusion. Then, Mr. Minister, could you point out to me precisely where you feel that the Ombudsman is wrong in the reasoning that he brings to his conclusion.

**Hon. Mr. Klein:** — Mr. Chairman, in my role of representing a million people in a court issue, since the matter is before the courts, it certainly would not be appropriate to comment on this matter.

**Mr. Calvert:** — Mr. Minister, we're simply not going to dispense with this issue in this fashion. Then let us go at it yet another way.

I accept this is now before the courts. Will you then, for the House today, describe the status of the lawsuit? At which point in the lawsuit are we at? How far have the proceedings moved along?

**Hon. Mr. Klein:** — Mr. Chairman, it's my understanding that a statement of claim has been filed and the parties involved are presently exchanging information. And that is why, I again repeat, that being that it's before the courts, it's simply not appropriate to comment on the matter.

**Mr. Calvert:** — Mr. Minister, the parties involved are exchanging information, as you indicate. That would indicate to me that in fact it has not reached the court stage yet. Is that true?

**Hon. Mr. Klein:** — Mr. Chairman, that is the process of the courts and it is in the courts.

**Mr. Calvert:** — Mr. Minister, in beginning to deal with this lawsuit, I understand that your department or your government has secured the services of a law firm. Will you inform the House which law firm you have hired to do the work on behalf of your government?

**Hon. Mr. Klein:** — The firm of MacPherson, Leslie & Tyerman are representing the government.

**Mr. Calvert:** — Mr. Minister, will you tell the House why you chose to go to a private law firm and not use in-house legal advice within the government?

**Hon. Mr. Klein:** — Mr. Chairman, the Department of Justice made that determination.

**Mr. Calvert:** — Then surely, Mr. Minister, you as minister will have been provided some information why the Department of Justice chose that route rather than going in-house. I recognize it in another court case that your government was involved in not many weeks ago that it was Department of Justice or in-house lawyers in that case. You must have a reason why you chose to go out to the private sector for legal advice in this regard.

**Hon. Mr. Klein:** — Mr. Chairman, we generally accept the advice of the Department of Justice.

**Mr. Calvert:** — Well, Mr. Minister, I understand that you accept their advice. I'm asking the rationale for the decision, the rationale that, surely to goodness, was provided to you as the minister.

**Hon. Mr. Klein:** — Mr. Chairman, I'm advised that the Department of Justice made that decision, and we accept it.

**Mr. Calvert:** — Well I take it you're not going to provide a rationale for that.

Mr. Minister, can you inform the House today how much the legal advice received thus far has cost either your department or the Government of Saskatchewan?

**Hon. Mr. Klein:** — I'm told, Mr. Chairman, that the bills will be submitted to the Department of Justice, and when those estimates are entertained you could ask them about it at that time, I suppose.

**Mr. Calvert:** — Mr. Minister, are you saying that you do not have that information or that I must just simply wait for the Minister of Justice?

**Hon. Mr. Klein:** — It's my understanding they don't bill our department; they bill the Department of Justice.

**Mr. Calvert:** — My question, Mr. Minister, is: do you, sir, as Minister of Consumer and Commercial Affairs, know how much we have spent thus far for the legal advice in this court case?

**Hon. Mr. Klein:** — Mr. Chairman, I don't have the foggiest idea. I'm not aware of those numbers, nor should I be.

**Mr. Calvert:** — Well I suspect, Mr. Minister, that you should be aware.

Well then, perhaps you're aware of some other information. You indicated in one of your earlier answers that there's an exchange of information happening right now. Will you inform the House this afternoon what information your legal firm is asking of the investors.

**Hon. Mr. Klein:** — Mr. Chairman, I've already said it several times and I'll say it again: the matter is before the courts, and it's not appropriate to comment.

**Mr. Calvert:** — Mr. Minister, I'm not asking you to comment on the court case; I'm asking you to comment on matters that pertain to your department. Will you tell the House what information is being requested from the investors by your legal firm?

**Hon. Mr. Klein:** — Mr. Chairman, I'm obviously not in a position to respond to that.

(1500)

**Mr. Calvert:** — Well, Mr. Minister, it's my understanding that your legal firm has requested from the investors the

names of the investors, the contract numbers, the amounts of the contracts, and so on and so on. Mr. Minister, is your department in possession of that kind of information? — the names of those who had contracts, the contract numbers, the amounts, and so on. Is your department in possession of that kind of information?

**Hon. Mr. Klein:** — All of the pertinent information has been handed over to the Department of Justice.

**Mr. Calvert:** — Mr. Minister, I ask simply, is your department in possession of the names of all of the investors, contract numbers, and the amounts of the contracts? Is that information within the possession of your department?

**Hon. Mr. Klein:** — Mr. Chairman, I respond simply that all that has been turned over to the Department of Justice.

**Mr. Calvert:** — Well, Mr. Minister, now you're saying that all of that information has been turned over to the Department of Justice and yet your legal firm is requesting that very same information from the investors. Is that true, that on one hand the department already has the information, but now the court case is being delayed because your lawyers are asking for the same information?

**Hon. Mr. Klein:** — The lawyers are representing the Government of Saskatchewan.

**Mr. Calvert:** — Well, Mr. Minister, if your legal firm came to the Department of Justice and asked for that information, could they get it from the Department of Justice?

**Hon. Mr. Klein:** — Mr. Chairman, that is part of the process of the courts. And being that it is before the court, it wouldn't be appropriate for me to comment.

**Mr. Calvert:** — Mr. Minister, we're going to be, I'm afraid, in these estimates a long time if you continue with this line that it's before the courts.

Perhaps I could ask you then, Mr. Minister, what it is that you feel brought at least this relatively small percentage of the investors to the point at which they felt they had no recourse but to go to the courts. What is it that brought on this court action?

**Hon. Mr. Klein:** — I can't respond to that. I wasn't part of the investors.

**Mr. Calvert:** — Well I realize that you're not part of the investors, Mr. Minister. I think if you were part of the investors they may have seen much more action on this issue than they've seen to date.

Mr. Minister, I have a press release that came from that smaller group of investors who have undertaken the court action. And perhaps you would like therefore just simply to respond to the position that they indicated just in the early days of 1990. And I'll just quote it, Mr. Minister, quote from their release:

A lawsuit against the Government of Saskatchewan was commenced on January 5, 1990. The solicitor for the investors' group, Gordon J. Kuski, QC, met with Grant Schmidt, the Minister of Consumer and Corporate Affairs for the Government of Saskatchewan, on January 4, 1990 to discuss the investor group's claim. Grant Schmidt informed Gordon J. Kuski in no uncertain terms that the Government of Saskatchewan would not pay any moneys to investment contract holders of Associated Investors or First Investors. As a result, the investors group hand was forced and the claim was launched and served.

In this press release, Mr. Minister, it is clearly indicated that this court action began out of complete frustration with your government and with the former minister; that this group of investors felt there was no other option.

Now that's their interpretation of the events, Mr. Minister. Could you give me your interpretation.

**Hon. Mr. Klein:** — Mr. Chairman, I would truly like to co-operate with my critics in getting the estimates of my department done. Clearly he is asking a series of questions that have been responded to for the last couple of years. And now that this issue is before the courts, I simply cannot respond.

**Mr. Calvert:** — Mr. Minister, I maintain and would submit that this issue would not be before the courts today, that the Government of Saskatchewan would not be involved in yet another legal action, if in fact you had been responding to some of the questions put by the opposition; if you had in fact had an open door to many of these investors and their representatives, that we wouldn't be in the tragic situation that we're in today, facing yet another lawsuit that obviously, Mr. Minister, is preventing you from responding.

Mr. Minister, has your department or has the Department of Justice done any estimate of the total bill that this lawsuit could result in for the people of Saskatchewan?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, it's my responsibility to represent a million people in this province rather than the 5,000 investors that I referred to in my opening remarks. And the matter, as I've said many times, is before the courts, and it's simply not appropriate for me to comment on this matter. I know that the members opposite understand that situation. They know the exact reasons why it's not appropriate for me to respond, and I'd like to get on with my estimates. It's unfortunate that this is the only response that I can give, but because the matter is indeed before the courts, I am not at liberty to discuss the matter.

**Mr. Calvert:** — Mr. Minister, there is nothing in my question, absolutely nothing in the last question that has anything to do with the outcome of the court case. I'm asking if you, as minister, or the Department of Justice, or somebody over there has made an estimate, and I'm asking only for what the legal costs might conceivably be to continue fighting this case.

Now surely, surely somebody has made an estimate of

that. I don't think any one of us individually, and I hope not you as government, would undertake a major legal case and not have some estimate of what it's going to cost just for the legal services.

Now there's some speculation that if your government doesn't act, this case will continue and may in fact find its way into the Supreme Court of Canada. Mr. Minister, I'm asking for an estimate of what you feel this may eventually cost the taxpayer of Saskatchewan for the legal fees.

**Hon. Mr. Klein:** — Mr. Deputy Chairman, they have many lawyers on that side of the House that they could ask that very question of. And once a situation like that arises in the courts, it's impossible to determine the length of the trial, the amount of legal work done and the rest of it. Since the matter is before the courts, it's not appropriate for me to comment.

**Mr. Calvert:** — Well, Mr. Minister, I will be glad to ask my colleagues when we're sitting on that side of the House, which won't be too long. But just now, Mr. Minister, you are on that side of the House and you're the minister, and I assume, in the process of estimates, it is your job to answer questions in regard to the functioning of your department and issues that are before your department.

If you don't know, if you haven't . . . if you or some of your officials here present don't have an estimate on what the legal bill might be, would you commit to get that information and provide it to the committee?

**Hon. Mr. Klein:** — Perhaps the Department of Justice could enlighten them during those estimates, Mr. Deputy Chairman.

**Mr. Calvert:** — Well I'm asking, Mr. Minister, if you will just, right now, speak to the Minister of Justice and see if you can get that figure for the purposes of these estimates.

**Hon. Mr. Klein:** — Mr. Deputy Chairman, if he's waiting for a response, I don't have one other than the one I've given him.

**Mr. Calvert:** — Mr. Minister, when the Ombudsman released his report and made it public, your colleague, the former minister, was quoted in the national press as saying, and I quote from an article from the *Globe and Mail* on November 11, 1989 that "Saskatchewan is willing to compensate its own residents."

That's a direct quote from the former minister: "Saskatchewan is willing to compensate its own residents." Further on, he said:

We are trying to negotiate this pooling problem with the province of Alberta, but we're prepared to help in our province.

Then on January 4, 1990, a representative of the small group of investors that have joined in the legal action met with that same minister and he gave that representative to understand that no, there would be no assistance forthcoming. That, Mr. Minister, seems to be what provoked the legal action.

So can you explain to the House today the change in position from November, when the minister was say we are prepared to help our own investors, to the January 1 when the same minister is saying, no, we are not prepared to help. Can you explain the change in position.

**Hon. Mr. Klein:** — Mr. Chairman, obviously both of the incidents that the member refers to were made prior to it entering the courts. Now it's in the courts and since it is, it's not appropriate for me to comment.

**Mr. Calvert:** — Well, Mr. Minister, there are by your estimate 5,000 investors. By your estimate there are approximately 5 to 600 who are involved in the legal action. Now that's approximately 44 or 4,500 investors, citizens of this province who are not involved in the legal action. Mr. Minister, they expect some clear answers from you.

I am not, Mr. Minister, asking you to comment on the negligence of your government. Obviously we in the opposition from days after the collapse have accused your government of being negligent in this regard. The conclusion of the Ombudsman is that negligence was shown in this regard. I'm not asking you to comment on your negligence or lack thereof. I'm not asking you to colour the decision of the courts. I think I'm asking for some simple information that literally thousands of Saskatchewan people wish to know, and I think they have every right to know.

Mr. Minister, I'll go back to where I started. Is it your view that you have a moral obligation to compensate in a tangible way the investors in Saskatchewan?

**Hon. Mr. Klein:** — Mr. Chairman, I think I've got a moral obligation to about a million people in this province. There are some 600 challenging the balance. And it's a challenge that's in the courts, and as a result it's inappropriate for me to comment further.

**Mr. Calvert:** — Mr. Minister, the 600 investors who have taken this legal action are not taking it against the million or . . . no, let's be correct, the 997,000 people in Saskatchewan, they're taking it against your government and the activities of your government, not the people that you purport to represent. They're taking it against your government and the activities of your government.

So please, in these remarks, do not attempt to pit the investors against the majority of people in this province. It is your responsibility as minister, and it has been the responsibility of your government since you came to office, to protect the interest of all the citizens of this province.

The Ombudsman concludes in an impartial study — it's non-political, non-partisan, an impartial, thorough study — the Ombudsman concludes that you in fact were negligent in caring for the interests of the people of Saskatchewan. This is not simply a matter of legal complexities, this is a matter of justice.

Mr. Minister, the conclusion of the Ombudsman, the conclusion of many Saskatchewan people is that justice

must be done, that your government erred and the mistake was made, mistakes were made, and that mistakes must be paid for. Mr. Minister, is it your position that a Government of Saskatchewan, your government, has some moral responsibility in regard to these investors?

**Hon. Mr. Klein:** — Mr. Chairman, let's make no mistake about it. Clearly 600 people of this province have taken the matter to court against almost one million that this government represents. Make no mistake about that. And it's before the courts and it's not appropriate for me to comment.

(1515)

**Mr. Calvert:** — Mr. Minister, we'll be back to this issue, I am sure.

Mr. Minister, if you want not to talk about the investors in Principal Trust, then perhaps we can have a few minutes of conversation around an issue that arose more recently — actually during the month of February the issue became public in our province — and that's some of the investors that have investments in Saskatchewan Trust Company.

Now it's my sense, Mr. Minister, that a disaster in this regard has been averted by a former employee who informed the federal Superintendent of Insurance of what were at least questionable practices going on at Sask Trust, and that with the input of the federal superintendent, then your department undertook an audit of Sask Trust. It's my feeling that a disaster has been averted here, and that those investors may feel that their investments, in fact, are secure. But the fact of the matter is that right here in the primary jurisdiction, I remind you, Mr. Minister, a trust company was operating with what can be described best, I think, as questionable practices, and at worst deserving of an RCMP investigation.

So I ask, Mr. Minister, how this could be going on in the province of Saskatchewan, the primary jurisdiction, right under your nose and you were not aware of it, sir?

**Hon. Mr. Klein:** — Mr. Chairman, I hope that the member won't continue the line of discussion with Sask Trust, to indeed begin to scare the people that are invested in a very strong, financially viable Saskatchewan company that does indeed meet the federal requirements of CDIC (Canadian Deposit Insurance Corporation); that does and has indeed met the provincial licensing requirements. We don't need anything like that bandied about to create any kind of problems for a company that is solid and operating well.

There is an RCMP investigation going on, but it's not regarding the firm, Mr. Chairman, it's regarding some employees or past employees. And I certainly hope that the critic would refrain from questioning in that area. We don't need the faith of the investors in that Saskatchewan company shaken by questions along that line that are . . . don't need any further response than that.

**Mr. Calvert:** — Mr. Minister, perhaps, just perhaps, if someone had

been asking questions or if someone had been listening to the questions in your government, the whole matter of those investors in First and Associated with the Principal Group, might not have suffered the consequence they suffered. I said very clearly, Mr. Minister, that it is my feeling that in regard to Sask Trust that disaster here has been averted. I'm not accusing anyone in that trust company of anything.

What I am asking is how these kind of practices identified in the report of the auditor's, done for your department, of which I have a copy here, how these kind of practices could be going on in a firm under your jurisdiction and you were not aware of it; that these kind of things were happening in Saskatchewan and it took a former employee to go the federal superintendent before something was done in Saskatchewan. How can that be happening?

**Hon. Mr. Klein:** — Mr. Chairman, I understand that prior to some allegations that did surface later, that our department was indeed aware through its normal process, because we are the primary jurisdiction, of some problems that did exist in that firm — that steps were taken to rectify.

**Mr. Calvert:** — Well, Mr. Minister, let us just be sure that I have the chronology of events correct.

It was in June 1989, as I understand it, that a former employee of Sask Trust alerted the federal superintendent of financial institutions, documenting what he felt — or she, I'm not sure which — documenting what the former employee felt were irregularities and questionable practices going on over at Sask Trust.

Now that led to the superintendent, I assume the federal superintendent, making contact with your department that led to the audit that was conducted by your department in September of 1989.

Are you now saying in the House, Mr. Minister, that you were aware of some of these irregularities and questionable practices prior to June 1989; that these irregularities were in fact known to you prior to June 1989?

**Hon. Mr. Klein:** — Mr. Chairman, I think the terminology that the member is using is rather strong. I'd like to believe that the professional civil servants employed in our department are very aware of their role and responsibility in protecting the consumers and the investors under our prime jurisdiction. And part of that normal process includes the regular auditing and indeed discussions with these firms to ensure that difficulties that may arise are averted. This was well in hand prior to a report to the federal jurisdiction.

And I'm surprised that you, by your observations, are indicating that the professional staff in our department was letting somebody get away with something that they shouldn't have been, and using rather strong terminology. But I can assure you that any problems that the firm had encountered was totally aware of by my officials.

**Mr. Calvert:** — Then, Mr. Minister, if your department

was fully aware of what was happening in Sask Trust, will you then explain to the committee today what your department did about it prior to being contacted by the federal superintendent?

**Hon. Mr. Klein:** — Mr. Chairman, obviously the federal requirements were never in jeopardy of the CDIC. Those are still in place. The provincial licensing requirements are still in place. They have met all the criteria that is required. The allegations that were indeed brought up by a past employee did bring about some things that we were not aware of, which perhaps prompted the RCMP investigation. That's an entirely total different matter. We're concerned with the health of the company.

**Mr. Calvert:** — Mr. Minister, I have here a copy of an article that appeared in the February 27, 1990 edition of the *Saskatoon Star-Phoenix*. It begins with these two sentences, Mr. Minister, and I would like your response to these. The article reads, and I quote:

Short staffing has undermined the provincial department responsible for monitoring financial institutions in Saskatchewan.

"There are not enough staff to ensure businesses are complying with statutory requirements," superintendent of insurance, O.A. MacGillvray, said Monday.

Mr. Minister, will you respond to this, this comment in the *Saskatoon Star-Phoenix*, that short-staffing has undermined the ability of your department to monitor financial institutions?

**Hon. Mr. Klein:** — I've been advised, Mr. Chairman, that those remarks were not in reference to the area of discussion that we've been having recently, but rather it pertained to some observations made by the superintendent when it came to the area of the professional groups that are self-administered.

**Mr. Calvert:** — So, Mr. Minister, if I'm correct, you're saying that you're adequately staffed. You are saying today that you're adequately staffed to meet all of the regulations of the Acts and statutes that you're responsible to maintain. Then perhaps you could be a little more clear in where the short-staffing is occurring. Where are you short-staffed?

**Hon. Mr. Klein:** — Mr. Chairman, the area of the short-staffing that that article may have referred to, and I've been advised that it was taken out of context on a larger scale, where if indeed what the members of the opposition are proposing that the obligation would be incumbent on the home jurisdiction or the prime jurisdiction of any province to audit all of the firms across Canada, not only would Saskatchewan find themselves short-staffed, because we certainly wouldn't be able to audit all the firms across the country, but each and every jurisdiction would find themselves in the same area.

Henceforth, that's why we have this agreement where the prime jurisdiction is responsible.

**Mr. Calvert:** — Mr. Minister, we're going to talk about

that so-called agreement, because I submit there is no agreement, but that's for another time in the process of our estimates.

Right now I'm talking about the staffing of your department. One of your officials suggested that short-staffing has undermined your department's ability to do its job. I'll go on further in the article, Mr. Minister, and perhaps you can confirm these figures or perhaps they're a misquote too. I'll just go on the article and you can confirm or deny these figures.

The article indicates there are nine, nine people, nine staff members assigned to watch over the province's 208 credit unions and 88 trust companies. They also must track the activities of motor vehicle dealers, auctioneers, and direct sales vendors.

Are those figures accurate, Mr. Minister, that you have nine people in your department to monitor 208 credit unions, 88 trust companies, the motor vehicle dealers, auctioneers, and direct sales vendors in Saskatchewan. Is that true?

**Hon. Mr. Klein:** — Mr. Chairman, I'm surprised that my critic is unaware of the agreement that's in place. And I would point out a news release that was issued April 21, 1989. I'll just refresh my colleague's memory because I don't want to get into an area of argument or confrontation, but I would point out that the then minister of Consumer and Commercial Affairs, and I'll quote:

... has signed a formal agreement with eight of the 10 provinces to share information on financial institutions operating in their jurisdiction.

And it goes on. It's quite a lengthy news release, and rather than read the whole thing, Mr. Chairman, I would indeed be prepared to have a copy of this made and send it over to the member for his information.

**Mr. Calvert:** — Mr. Minister, I'll appreciate that. Now if I can ask again: is it true that you have nine staff people in your department to monitor the activities of 208 credit unions, 88 trust companies, the motor vehicle dealers in Saskatchewan, the auctioneers, and the direct sales vendors of which there are many, Mr. Minister? Is it true that you have nine staff to regulate and monitor that group?

**Hon. Mr. Klein:** — Mr. Chairman, I can tell you that we have nine people in the department directly involved in audits, plus a support staff, totalling altogether 100, approximately. Regarding the credit unions, we have just signed an agreement with them that the Credit Union Deposit Guarantee Corporation will indeed perform the audits on behalf of the credit unions.

**Mr. Calvert:** — Mr. Minister, I have here a copy of the estimates in this budget. The nine people who are specifically assigned to this work, do they appear in your budget estimates under no. 4, licensing and investigation. Is that where those people are paid, the people who are assigned to regulate? And if so, will you explain to the House today why that is the one line in your budget that has received a fairly substantial decrease in funding. In

fact, it would indicate by the estimates that we're moving from 41 people in that particular area to a total of 36 people in the area. Is my interpretation correct there, Mr. Minister?

**Hon. Mr. Klein:** — That's the line, Mr. Chairman, and basically because of the transfer of the responsibility and agreement reached with the credit union guarantee corporation, that's what happened.

**Mr. Calvert:** — Mr. Minister, did you issue a press release on that development as well? And if so, I would appreciate getting a copy of that.

(1530)

**Hon. Mr. Klein:** — There was no press release issued on it, because I just signed that agreement when I spoke to the credit union annual meeting two or three or four days ago.

**Mr. Calvert:** — Mr. Minister, will you then therefore, and soon, provide a description of that agreement, maybe a copy of the agreement? I think a copy would be best, Mr. Minister, so that we can be aware now of how you choose to shift responsibility for the regulations over to the credit unions in this regard.

**Hon. Mr. Klein:** — I'd be delighted to send him a copy in a spirit of co-operation. I'd like to get on with our estimates and get them completed. We're very proud of the accomplishments that we've made, and the credit unions that were involved were very pleased to see this new development. Our department was pleased and the government pleased to see this development occur, and the agreement just pleases everyone. And we have no problem at all in sending you a copy of that agreement. You'll be proud of it as well.

**Mr. Calvert:** — We'll be proud and happy, Mr. Minister. Mr. Minister, I want to move back now to where we began in this discussion. It is my point of view that activities were happening in Sask Trust that were inappropriate; that those activities were in fact happening under your administration and regulation.

You indicated earlier that you were fully aware of those irregularities. I did not hear a clear response to my question: what is it that you did, as minister or through your department, to deal with those irregularities before the federal superintendent made a point of being in touch with you with the concerns he'd received?

**Hon. Mr. Klein:** — Mr. Chairman, we followed the normal procedures of working with federal regulators and all the rest involved. And a series of meetings began with management and the board of directors, pointing out some of the areas of our concern, and discussing with them how they could indeed overcome any of the deficiencies that the federal regulator was not happy with, any of the deficiencies that we may have had concerns with.

And between the board and the management, all of the outstanding issues that transpired as a result of the normal type of a process would indicate to us had been rectified,

and we're pleased with the result of the actions that they took.

**Mr. Calvert:** — Mr. Minister, did your meetings happen before you'd been contacted by the federal superintendent or after? When did these meetings occur, Mr. Minister? Can you give me some specific dates?

**Hon. Mr. Klein:** — They occurred before our department was aware of some problems that surfaced, and started the discussions.

**Mr. Calvert:** — Mr. Minister, could you provide this committee with the specific dates?

**Hon. Mr. Klein:** — Mr. Chairman, I'm advised that normally that is held by the department because it could be considered detrimental to the licensee.

All I can tell you is that I am pleased with the professionalism displayed by my staff. They have conducted their activities and their responsibilities in a professional-like manner. Their normal process of protecting consumers was well in hand.

They did indeed during the normal process discover some weaknesses in the operation, as they have in several other instances, and as a result, worked with management and the board of directors. Those deficiencies were overcome. The company is alive and well and meeting all the requirements. And as a result, I think that this is another example of professional civil servants doing their job very well.

**Mr. Calvert:** — Mr. Minister, there are so few, or there certainly were at that time, so few professional civil servants that even one of your own officials said that regulation enforcement is suffering because of the short-staffing.

Mr. Minister, if all of this was so well in hand before you were contacted by the federal superintendent, then why is it that this special report, this special investigation, was undertaken through your department by Mr. Radke, Rea and Benzie? If everything is so well in hand, why in September of last year did you undertake this special investigation?

**Hon. Mr. Klein:** — Mr. Chairman, I think it's fair to say that when the specific allegations by a former employee were made, we wanted to cover that off. I think that again it displays a definite professionalism amongst my staff and their department.

For the records, Mr. Chairman, I would like to protect my senior civil servant that made the remarks that my critic continually alludes to. And that civil servant, in regard to the comment of short-staffing, as again I will describe, relates to the picture that there would be short-staffing, in the event that my department would indeed have to check and audit financial companies right across this country, rather than in the prime jurisdiction. And I'm surprised that my critic is criticizing the civil servant that made those remarks, that has been a long-time civil servant, and doesn't deserve that type of criticism.

**Mr. Calvert:** — Mr. Minister, I'm in no way criticizing any member of your department. In fact, I tend to agree. I would hold the view that your department has been short-staffed. I would in fact share that opinion. It's not by any way should be taken as a criticism. If anyone should be criticized in that regard, it is you, sir, and your government. It's not your employees who are responsible for the levels of staffing in the department. It is you, sir, and the government.

Mr. Minister, I just more or less conclude the discussion about Sask Trust. There were a number of recommendations made by the auditors, who you appointed to do the special investigation. They asked that the . . . recommended that the Saskatchewan Trust Company report to the department on a quarterly basis with a number of parts to that report, Mr. Minister. Can you assure the House today, and therefore through the House, to the investors in Sask Trust and to the people of Saskatchewan, in fact those quarterly reports have been received, that they have been brought into possession and that they are being thoroughly reviewed.

**Hon. Mr. Klein:** — Mr. Chairman, I've been advised that they are complying with our requirements. They have thoroughly been reviewed, and again I would simply say that it's not fair for my critic to continually misinterpret the remarks of a top civil servant that has been employed by our government for a long time. He did not relate to short-staffing of the department as it relates to the function of a primary jurisdiction.

And I think that for that member to continue saying that is absolutely unfair to a professional civil servant.

**Mr. Calvert:** — Well, Mr. Minister, I'll say it myself. I am not quoting your civil servant; I believe you have been short-staffed. I believe that your department has been short-staffed and therefore handicapped in some of the work that it can do . . . (inaudible interjection) . . . Mr. Minister, well I'm happy to hear the minister say that he does not have a problem with me saying it.

Mr. Minister, we spent some time earlier this afternoon endeavouring to talk about Principal Trust, and you've stonewalled the issue so far, but I do want to try and get back to that, but perhaps we can come at it from a different way. You indicated, again earlier this afternoon, that a new agreement has been signed between provincial jurisdictions in this country. Have you taken any other steps as the minister, as the department, to ensure that no calamity like this could occur again in future? What steps have you taken, Mr. Minister, since the collapse of Principal Trust and the loss of money through FIC and AIC. What steps have you taken to ensure that this should not, could not happen again?

**Hon. Mr. Klein:** — Well, Mr. Chairman, first of all I'd add that I thank the member for his criticism. I have no problem with him relating to the fact that the opposition would like to see a much larger government than we have. That's their bent and I have no problem with them saying that. At least he is not putting words in the mouth of a senior official, and I accept that.

We have, as is the case, tried to improve the relationship

between business and the consumer all the time. That's a continuing, ongoing process. I think to stand here and flatly ensure that nothing like that will ever happen again is ludicrous.

I can't guarantee, for instance, that although Saskatchewan is not earthquake prone that there would never be an earthquake in Saskatchewan. So I can only tell you that we continually try to improve the system to prevent losses of that type in the future. And there are several ongoing things that we do, not the least of which though, I believe, is a development of a self-help, education material money kit, through trained volunteers wherein the department delivers programs to groups all over the province.

And I think that it's absolutely vital that consumers and investors, depending on where they're going to be placing their dollars, if that's what we're relating to at this point in time is just the protection of money, that they are totally aware of various institutions, various methods, various risks, and that nothing is certain.

And as a result of education along that line, hopefully what you might consider a major disaster will be missed entirely.

**Mr. Calvert:** — Mr. Minister, I understand that the Government of Alberta, specifically in light of the collapse of Principal Trust, but I think also viewing the Pioneer collapse here, the Northland Bank collapse, and so on, the Government of Alberta is proposing new legislation that will require financial consultants to tell their customers what their qualifications are and how much commission they'll be receiving on various investments. Currently there, I don't believe there is legislation on who can describe him or herself as a financial consultant.

Have you looked with any seriousness at all to legislation in that regard, as your counterparts in Alberta are now doing?

**Hon. Mr. Klein:** — Mr. Chairman, that's a good question. And in view of the fact of a lot of fund-raising activity — if that's the best word to put on it, or investment raising options that this new global village of ours has — I don't know that the member is aware of all kinds of vehicles world-wide and in this province.

This type of thing now is becoming a lot more commonplace than before. And I believe that all jurisdictions are concerned with that kind of a proposition and particularly here in Saskatchewan where we have various forms of investment certificates.

I can tell the member that we are working very diligently to develop a paper that deals with financial planners of all sorts. And we're trying to make it all-encompassing, quite a bit broader than what Alberta is just limiting itself to, because you get into all kinds of areas.

And I'm hopeful that that kind of a paper will be developed in the very near future, that will encompass a whole lot broader spectrum of financial involvement than just simply the narrow base.

**Mr. Calvert:** — Mr. Minister, are you indicating today that you are preparing legislation? or in your terminology, a paper? I'm not clear what "a paper" means. Are you developing some legislation?

**Hon. Mr. Klein:** — I think it's fair to say that we're still quite a way from legislation. Before we get to legislation — well you haven't been there yet — the paper must be developed to ensure that you've covered as much of the possibilities as you can possibly cover. We, of course, it's our habit to do consultative work, and do a lot of consultation. We would be doing that once we developed the formal ideas, taking in light some of the criticisms of course that come forward in the Assembly and from discussions such as this. Taking it to the various financial institutions, the brokers, the people out there in the real world that are fund raising and all the like, and trying to put together a paper that could be developed into a proper piece of legislation that would indeed give us all the protection that we're looking for, both from the aspect of the financial institutions involved, the investors involved, the government, and the whole gamut of people that would be involved in it.

(1545)

**Mr. Calvert:** — Mr. Minister, I guess what I find frustrating is that in this decade we've seen in our own province, not one but several significant collapses of financial institutions which have affected Saskatchewan people. It is now almost three years since the collapse of Principal Trust. I understand that Alberta is almost at the point of legislation, and now you're saying that you're just at the beginnings of discussions and preparing the paper and the consultation process. Mr. Minister, just when did this process begin? Is it something that just begun since you became the new minister or has it been on ongoing?

**Hon. Mr. Klein:** — No, these are ongoing discussions, Mr. Chairman, that are brought up at various consultative process that we have been through over the last years. I can tell the member that we have been in discussions with Alberta. We are watching their developments. They do share the information with us.

And an aside from all this, as all of these are being developed, and I would welcome any input that you would like to have, that you have concerns with, for us to put into the mix with all of the other suggestions. I have no problem with that. And indeed you could very well come up with something that may have been overlooked, although hopefully nothing has been overlooked by the time we get to the point of preparing some legislation.

But there are continual improvements in this type of an industry. For instance, just recently compensation plans have been set up in the insurance industry for property and casualty companies as well now as for health and sickness companies, to provide consumer protection that has not been there before.

And the new-found concept of self-administration is very, very successful. And all of these various financial institutions and interest groups are aware of what they have to do to protect the consumer, not only for consumer

protection, but indeed for the institution itself to survive.

**Mr. Calvert:** — Mr. Minister, know that you will have our full encouragement and support in developing that kind of legislation; of course, we'd want to see it and we'd want to debate it, but rest assured you'll have our full encouragement in moving in that direction.

Mr. Minister, a small matter, perhaps, but in some ways, for me at least, a significant matter relating again back to Principal Trust but having nothing to do with the court case. A year ago, your minister of Justice indicated that it was the position of the Government of Saskatchewan that Alberta was responsible, in fact, and ought to make right to Saskatchewan investors. A year ago I addressed some questions to him about that. I asked him if he would provide for me copies of communications between your government and the Government of Alberta, regarding the matter of compensation from the Government of Alberta.

On the July 28, 1989, the minister of Finance indicated that he would provide for me copies of communications between your government and the Government of Alberta. Two weeks later on August 4, I again reminded the minister of that request and his commitment, and he apologized for not providing that information and again committed to me that the information would be provided.

Mr. Minister, on August 25 of last year, nearing the close of last year's session, I again raised this issue, this time not with the minister of Justice but the former minister of economic trade, Mr. Andrew. And he committed to me that that information would be provided. To this day, Mr. Minister, I have not received a shred, not a letter, not a shred of that requested information. Mr. Minister, can you explain that, why I have not received that information? And would you, sir, commit to provide that information to me.

**Hon. Mr. Klein:** — Well, Mr. Chairman, no I can't explain why nothing has been provided. I think that when the proper forum comes up as we progress through the House or daily question period or whatever, you have that opportunity. I can't respond on behalf of anybody else, and I don't believe that you really expect that I would.

**Mr. Calvert:** — Mr. Minister, perhaps you could answer the question: are you aware of correspondence that has occurred between your government and the Government of Alberta in regard to compensating Saskatchewan investors from the Alberta treasury directly? Are you aware of letters, communications that have gone one government to another?

**Hon. Mr. Klein:** — Mr. Chairman, I'm not aware of any, no.

**Mr. Calvert:** — Well that, now that, Mr. Minister, frightens me, that you as the minister responsible for the investors' interests are not aware of ... It has been the consistent position of your government that you are working with the Government of Alberta to provide compensation to Saskatchewan investors. I mean, as late as this year your predecessor, the minister, the member from Melville when he was in the portfolio, was saying,



that's our position and that's what we're working for.

I have letters — perhaps I should get them out and quote them — from him to investors, from the Premier of the province to investors, that indicate, that say clearly, we are working with the Government of Alberta; we are lobbying the Government of Alberta.

Now I assume there must be some documentation to this lobby effort of yours, and I'm asking, Mr. Minister, if you would provide, as the Minister of Justice committed that he would last year, and the minister, Bob Andrew, provided that he would, and I'm asking you today if you'd provide them for me, and you say they don't exist or you don't know if they exist. Mr. Minister, perhaps you would like to rephrase your answer there.

**Hon. Mr. Klein:** — Well, Mr. Chairman, I would . . . rather than rephrase my answer, I would like my critic to have a look at the question that he put forward to me.

First of all, I don't mean to frighten you at all, and if I do, I'm sorry. I don't have that at all in the back of my mind. I can tell you that I cannot respond for my Minister of Justice, and I believe that you understand that.

The next question that you asked me: was I aware of any correspondence? And I simply replied, no, I was not aware. So, you know, you're asking me my question and I'm responding, but I can't respond on behalf of somebody else because I don't know the details of that. And if you've entertained some discussions or some correspondence with another department, another minister, well then follow it up with those people.

**Mr. Calvert:** — Well, Mr. Minister, you are the Minister of Consumer and Commercial Affairs. You are in direct succession in this portfolio to the minister from Melville. On January 9, 1990, the former minister of Consumer and Commercial Affairs says in a letter to an investor: "We are . . ." This is a quote from his letter, signed by the minister. He says, quote:

We are continuing to press the Alberta government with our position that they, as the primary regulator, are responsible for compensating investors.

Do you know anything about the pressure that's been put on the Alberta government? And if you don't, Mr. Minister, then that indicates one of two things. One, that this is not true, that no pressure is being applied, that nothing has been happening. Or that you're not yet aware of what's going on in your own department.

So has there been correspondence, has there been communication between your department, or any agency of your government, with the Government of Alberta in this regard?

**Hon. Mr. Klein:** — Mr. Chairman, if my critic would entertain a question, I would ask if he has written to me.

**Mr. Chairman:** — Order, order. I'd ask the member for Saskatoon Sutherland, who will certainly have an opportunity to get into this debate if he so wishes — if he

risers, the Chair will recognize him — I would ask him to refrain from getting involved in the debate from his seat.

I'd ask the member for Saskatoon Westmount the same thing. If he would like to get into the debate, if he would rise, I'd certainly recognize him. And I'm sure that he will. I'm sure.

**Mr. Brockelbank:** — I will rise, Mr. Chairman, on your invitation. The minister who is before this committee now is directing questions to the member in the opposition. I think you should first of all correct the minister and say that you don't ask the questions here. The questions are asked from this side of the House. I would suggest that's the proper order to follow in this House.

**Some Hon. Members:** Hear, hear!

**Mr. Calvert:** — Mr. Minister, I wrote your predecessor on November 15, 1989. To this day, I have not received a response to that letter.

Mr. Minister, I didn't feel that it was necessary for me to write you a letter because I knew that very shortly you and I would be here face to face and I could put my questions directly. Now, Mr. Minister, I will again put my question directly to you, sir.

Has there been communication from your department or any agency of your government with the Government of Alberta that you could provide to this committee, to provide to this House, to demonstrate in fact that you are doing as your predecessor said you were — lobbying and pressuring the Government of Alberta?

**Hon. Mr. Klein:** — Mr. Chairman, I indeed thank my critic for responding to my question. We were having a good debate and it's unfortunate that others chose to enter it. And in his response he clearly said that he has written my predecessor.

I would then now make a statement and give him two options. He could allow me the privilege of trying to find that letter to see if indeed a response was given, and then I could follow up on that, or he indeed could write me an additional letter asking me to respond to that letter, and I would respond to it.

**Mr. Calvert:** — Mr. Minister, I do not need the services of Canada Post to put my questions. You're right here; I'm right here; here is the question.

The question is: has your government lobbied the Government of Alberta with your position? If you have, Mr. Minister, then will you provide for this committee copies of the correspondence, copies of communications from you or your department, or your predecessors, or the Minister of Justice, or whoever over there is in charge of this, to demonstrate what you say that you are doing.

If you cannot do that, Mr. Minister, then my only conclusion is that you're in fact not doing it. So will you provide to the committee some evidence, some copies of communications.

**Hon. Mr. Klein:** — Mr. Chairman, perhaps in my opening

remarks where I covered the waterfront pretty well on the whole issue of Associated Investors, First Investors, Principal Trust — I declared in that statement that we hold the Government of Alberta responsible. We are presently in the courts over this whole matter, and I have to go back to my opening remarks, that as a result of that, it is not appropriate for me to respond any further. And he has to recognize that.

**Mr. Calvert:** — Mr. Minister, this has absolutely, in my view, nothing to do with the court case, nothing to do with the court case. It has to do with the position of your government which you identified in your opening statement, and we can certainly debate that position, and no doubt we will before these estimates are over. But you stated your position is that the Government of Alberta is responsible.

Minister after minister has stood in this House and said that we're lobbying the Government of Alberta, we're pressuring the Government of Alberta. The Premier of the province writes to individuals saying, we're pressuring the Government of Alberta. This is nothing to do with the court case.

Mr. Minister, I'm asking you if you can provide some documentation to indicate that indeed you are pressuring the government of Alberta. Other ministers have indicated they would be glad to provide that documentation, and then of course they didn't do it. I'm asking you if you will provide the documentation that demonstrates that you are indeed pressuring the Government of Alberta.

**Hon. Mr. Klein:** — Mr. Chairman, obviously other ministers before me were not involved in an area that's in the courts of law. And because of the fact that the matter is before the courts, it would not be appropriate for me to respond.

**Mr. Koenker:** — Thank you, Mr. Deputy Speaker. Mr. Minister, if a Saskatchewan resident had a problem with the construction of their new home, which government department ought they to contact?

**Hon. Mr. Klein:** — Mr. Chairman, I think that the normal process would be for the owner or purchaser of that home to contact their contractor if he has any problems with a deficiency.

**Mr. Koenker:** — That's helpful to know. And presuming that they contact their contractor and they can't get satisfaction or restitution or for whatever reason the issue can't be settle, would they have any access to the Government of Saskatchewan?

(1600)

**Hon. Mr. Klein:** — It's highly unlikely that they would have any recourse against the Government of Saskatchewan, unless if the Government of Saskatchewan was directly involved with the project.

**Mr. Koenker:** — Mr. Minister, I'm not asking whether they necessarily have any recourse against the Government of Saskatchewan. I'm asking you that if they

can't resolve a dispute with their contractor, would they have any logical point of access with any Government of Saskatchewan department or agency with respect to helping to settle a new home warranty issue?

**Hon. Mr. Klein:** — Mr. Chairman, I hear the words now, "new home warranty issue." The Government of Saskatchewan does not provide new home warranties.

**Mr. Koenker:** — Mr. Minister, are you aware of who does provide new home warranty coverage here in Saskatchewan?

**Hon. Mr. Klein:** — I'm aware of the fact that some contractors are involved in a group that they provide warranty service, yes.

**Mr. Koenker:** — And who might those contractors be, Mr. Minister?

**Hon. Mr. Klein:** — They would be members of the association, and I don't have that list.

**Mr. Koenker:** — Mr. Minister, what is the name of that association?

**Hon. Mr. Klein:** — I understand it to be the New Home Warranty Program of Saskatchewan.

**Mr. Koenker:** — Mr. Minister, assuming that the Saskatchewan individual or party that's built a new home has approached their contractor, and they can't get a settlement of their complaint with the individual contractor, and assuming that they go then to the new home warranty association of Saskatchewan to attempt to seek resolution and resolution isn't available there, would a Saskatchewan home owner have any access to any agency or department of the Government of Saskatchewan in attempting to resolve a complaint?

**Hon. Mr. Klein:** — No. I believe that his only recourse would be through the courts. And I can speak very clearly about that because I built a new home recently and my contractor was not a member of that association. And I encountered a problem and I did, and I used the resources that were available to me — either the small claims court or a legal firm.

**Mr. Koenker:** — So, Mr. Minister, your department . . . Could you tell me what the mandate of your department is, as expressed in the legislation?

**Hon. Mr. Klein:** — We do get involved between consumers and business people, only as it relates to the area of mediation, if we can assist the two parties in coming together to resolve a dispute.

**Mr. Koenker:** — Mr. Minister, that's not what I asked. I asked you to give me the mandate of your department as it's expressed in the legislation. Could you do that please.

**Hon. Mr. Klein:** — I understand that it is to receive consumer complaints, to mediate, and to administer the Acts for which this department is responsible.

**Mr. Koenker:** — I ask you, Mr. Minister, if an individual

then had a complaint with respect to the construction of their new home, which is certainly a consumer issue, could they bring such a complaint to your department's attention?

**Hon. Mr. Klein:** — Unfortunately, Mr. Chairman, what we find ourselves with is a piece of legislation that was brought in by the former government, called a Consumer Products Warranties Act, and it specifically excludes real estate.

**Mr. Koenker:** — Mr. Minister, have you given a thought to changing that mandate of your department?

**Hon. Mr. Klein:** — No. The legislation that was brought in by the prior government still remains in place. We've left that. There is a . . .

**An Hon. Member:** — And everything they did was perfect.

**Hon. Mr. Klein:** — Well as the member from Regina Centre says, everything they did was perfect. If everything they did was perfect, then I would suspect that your colleague from Saskatoon has no further questions.

**Mr. Koenker:** — Mr. Minister, here we have an example of a case where Saskatchewan people can make the single largest purchase in most of their lifetime — I'm talking about the purchase of a new home — the single largest purchase or investment that most people make in an entire lifetime, and are you telling this committee that your government has no responsibility with respect to the market-place when it comes to new home construction?

**Hon. Mr. Klein:** — Mr. Chairman, I'll tell the member this: that I have been told that in the last six or seven years there have been three or four complaints lodged against the New Home Warranty Program of Saskatchewan, Inc.

It seems, however, that that member has a particular axe to grind with this independent third party association that is functioning very well; that is doing a good job; that is supported in total by its contractor members; that do indeed satisfy all of the . . . or most of the complaints that are brought forward to them by any consumer that buys a house that's registered with a contractor that builds in that.

And if you've got a complaint to lodge against that association, then I would suspect that you should lodge it against that association to see if indeed you have a problem with them or not. Because from the information that I have, they are doing a very admirable job.

I understand further that you have conducted some kind of a random survey in your constituency that has no relationship or bearing or formal numbers to it, other than something that you put together in your own seat that's not relative to the rest of the province. And we have a very good independent third party association in the private sector that's been in place for a long time, supported by its members, that indeed offer a warranty to their purchasers, and I don't know what your problem is.

**Mr. Koenker:** — Well, Mr. Minister, you say that I have an

axe to grind but you don't know what my problem is. Why do you say that I have an axe to grind?

**Hon. Mr. Klein:** — Because you simply appear to have. I've told you that in our mandate we try, and try very well, to mediate any disputes between a consumer and their business.

Now I also referred . . . You've been talking about housing. I also referred to an Act that was put in place by the NDP that . . . The Consumer Products Warranties Act where it excludes real estate. Well you seem to be pushing water uphill, because here's an Act that we're living with that we have no particular problem with, that you seem to have a problem with.

We don't have any nature of complaints to any great degree concerning new home buyers and their warranties, except coming forward from you. And there's correspondence dating back from you, sir, for probably a year or two, or maybe even more, and that's why I made the comment that it appears that you have an axe to grind with this firm.

Many, many consumers, who have indeed made that largest investment that they will ever make, are indeed pleased that their contractors were a member of that association, and in many cases chose that contractor because they were in a position to provide that warranty. Why are you now trying to disrepute, in my observation, a member of that association?

**Mr. Koenker:** — Mr. Minister, I asked why you said I had an axe to grind. And then you said I didn't have an axe to grind. It appears that I have an axe to grind. I'm asking you why you say I appear to have an axe to grind when I raise a question about consumer protection with respect to new home warranties?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, I am prepared to respond to any questions I can from the member opposite.

**Mr. Koenker:** — Mr. Minister, did your department receive a copy of the survey report that I did, entitled, "New Home Warranties in Saskatchewan: Improving Commodities, Protecting Dreams"?

**Hon. Mr. Klein:** — Yes, they received it.

**Mr. Koenker:** — Can you tell me if anyone in your department read that report?

**Hon. Mr. Klein:** — Certainly they read it. They read all the reports that come their way.

**Mr. Koenker:** — Mr. Minister, can you tell me, have you read the report yourself?

**Hon. Mr. Klein:** — No I haven't.

**Mr. Koenker:** — Mr. Minister, can you tell me who in your department has read the report.

**Hon. Mr. Klein:** — I don't believe that that would add to anything, Mr. Deputy Chairman.

**Mr. Koenker:** — Mr. Minister, I think that would be very helpful to know which members of your department have read the report, because that outlines the kinds of responsibility that is delegated in your department. Who's read it?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, I believe what that would outline is again another attack on the civil service, and I don't want to have to defend my staff again. I think that they do a good professional job. They have read that report.

They have provided, and I have discussed that report at some length with them. And I don't believe that I should have to start to explain now who did it, why they did it, what their observations were and the like. And I think that in view of the fact that I have professional staff recommending certain activities to me, that those are well kept within the confines of our department, and that's exactly the way it should be.

**Mr. Koenker:** — Very interesting, Mr. Minister, that we have a minister who can discuss a report that he hasn't even read. That's quite an accomplishment.

I'd like to know then, since you've discussed this report, what do you make of the recommendations that were made in it with respect to the provincial government?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, I discussed with my colleague today the *Leader-Post* and I haven't read it either. So I don't think that that's any kind of an observation at all. After a discussion, I don't believe that there was too much of anything that, as far as I was concerned and in my opinion and in spite of the opinion perhaps of my colleague or of my officials, to bring forward to do anything about.

**Mr. Koenker:** — Well, Mr. Minister, here we have a sterling example of open government. Government that wants to consult with Saskatchewan people and will go to the expense and the trouble and the public relations exercise of establishing a Consensus Saskatchewan and won't listen to individual Saskatchewan people through their elected representatives who bring problems in the market-place to the Minister of Consumer Affairs.

In this report or survey that was conducted, the question was asked of the individuals who had built or purchased a new home, were they aware that the New Home Warranty Program of Saskatchewan was not a government of Saskatchewan program. And 65 individuals said, yes, they were aware that it was not a Government of Saskatchewan program, and 57 individuals surveyed indicated that they were not aware that it was not a Government of Saskatchewan program.

So in other words we have 53 per cent who say, yes, we're aware it's not a Government of Saskatchewan program and 47 per cent who say that, no, they're not aware that it's not a Government of Saskatchewan program. And I'm asking you if that's of any consequence or of any concern to you as Minister of Consumer Affairs?

(1615)

**Hon. Mr. Klein:** — Well, Mr. Chairman, first of all, as we discussed this, I kept in mind that that survey was rather a random survey done by the member of the opposition and truly not an extensive survey that was done by a professional pollster that represented the entire province, but rather done by one person, whether he be an MLA or not, that was limited to the confines of whatever area he chose, that perhaps did not bring forward the concerns of the province but rather concerns of a specific area. That's number one.

Number two. In working with the New Home Warranty Program of Saskatchewan Inc., I think that I disagree with the numbers that the member opposite claims that it's a Saskatchewan government program. I don't believe that anybody really truly believes that it's a Saskatchewan government program. We work closely with this group who indeed represent contractors around the province. Any surveys that they might do, any criticisms or observations or comments that they would bring forward would truly, in my mind, represent this coming forward from the entire province.

They are willing to listen to our government and to our department, and I'm pleased with that. For instance, they made a change in their executive director. They made room on their board for a consumer representative, and now if indeed a problem goes into arbitration, they even use outside arbiters.

I think that we work very well with this third-party group . . . (inaudible interjection) . . . Well the member says from his seat, gee, wonderful. I think it is wonderful. I don't know if there are any other warranties like that indeed available any place else in the country other than in Saskatchewan.

And as a result of that, I think that I'm very proud of the member association that's in place that is done willingly by the members, the home builders of this province that are prepared to get together and put their money where their mouth is and stand behind their product. It's another indication of the pride that Saskatchewan manufacturers and Saskatchewan small business have in this province with regard to their facilities, with regard to their workmanship. And I'm ashamed that you would stand here and say that those people can't do the job.

**Mr. Koenker:** — Mr. Minister, you don't even know what you're talking about. Quite frankly, quite obviously you don't know what you're talking about. You aren't even aware of the new home warranty coverage that exists in other provinces relative to Saskatchewan's coverage, or lack of coverage, I should say.

And I come back to the fundamental question I just asked you earlier. Mr. Minister, do you think it's of any concern or consequence to you or your department that fully half of the people who responded to this survey . . . and I'll indicate to you that I surveyed over 1,500 homes in Erindale and Silver Springs areas of Saskatoon. Not a bad sample. Not a comprehensive sample, but not a bad sample for Saskatoon. And incidentally, this is the newest area of Saskatoon that has the highest concentration of new homes in it in Saskatoon. So 1,500 homes and more

than 120 respondents to that survey — not a bad participation rate; a very respectable participation rate at that.

I'm asking you, when 50 per cent of them indicate that they're not aware that the New Home Warranty Program of Saskatchewan is not a Government of Saskatchewan program, is that of any consequence or concern to you or your department?

**Hon. Mr. Klein:** — Well, Mr. Chairman, all I can do is compliment the member for contacting 1,500 people in his constituency. I think that that's admirable, but as I said at the outset, it doesn't reflect the opinion of the people of the province.

**Mr. Koenker:** — Well, Mr. Minister, I can consult with over 1,500 of my constituents and have over a hundred of them consult with me in terms of responding to the survey and it counts for nothing in your mind. And you're going to rely on a hundred people across the province to build a consensus and to inform you of their concerns. Now what kind of sense does that make?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Klein:** — If Consensus 100, Mr. Chairman, should come back to me saying that there are deficiencies in this third-party agency, the new home warranty program and the like, we will deal with it because I will firmly believe that it is a province-wide problem. At the present time all I have is one person from one constituency, albeit, with all due respect, an MLA representing one constituency, that is asking me to change a program that is in effect right around the whole province that could be a detriment to the entire province. I'm not prepared to do that.

**Mr. Koenker:** — Mr. Minister, I'm asking you, is it of any consequence or concern to you or your department that half of the people that would have been surveyed by me were not aware that the New Home Warranty Program of Saskatchewan was not a government program?

**Hon. Mr. Klein:** — Mr. Chairman, it certainly is. And if you're suggesting that the Government of Saskatchewan put television ads into your constituency saying that it isn't, we would be delighted to have a look at that.

**Mr. Koenker:** — Mr. Minister, I'd like to suggest that you investigate this problem and that maybe you might survey the province of Saskatchewan, as Minister of Consumer Affairs, if you don't believe these results.

You've said, yes, that might be a legitimate concern now. But if you don't believe these results, would you undertake to investigate how widespread this kind of misunderstanding is, with respect to the New Home Warranty Program of Saskatchewan? Would you undertake to investigate that?

**Hon. Mr. Klein:** — I suppose, Mr. Chairman, that if the member would write me a letter and ask me to undertake a proper polling with the likes of a Decima Research and conducted in the entire province, and that when the cost of that survey would be brought about into this

department, and assuming that it would be within the constraints of our budget, if you would write me, endorsing that kind of a program, I would undertake to have a look at your request.

**Mr. Koenker:** — Mr. Minister, that's a ridiculous response. And I say this, Mr. Minister, because you and your government have proclaimed April New Homes Month. Are you aware of that?

**Hon. Mr. Klein:** — Mr. Chairman, I'm aware, acutely aware of one thing . . . two things. Saskatchewan has the lowest-priced homes in this country and we are the envy of the nation. We are the envy of the nation for that. And coupled with that, Mr. Chairman, we are the only province in this country that protects our home owner from the high interest rates that are applicable right across the country for the home owners, except for the home owners in this province.

**Mr. Koenker:** — Mr. Minister, are you aware that April has been proclaimed New Homes Month in Saskatchewan?

**Hon. Mr. Klein:** — I don't know who proclaimed it, no.

**Mr. Koenker:** — Well, Mr. Minister, this is bordering on the ridiculous, that we have your government proclaiming April New Homes Month, we have a Minister of Consumer Affairs who's unaware of it, and a Minister of Consumer Affairs who's totally unprepared to look at new home warranty issues, as they pertain to Saskatchewan consumers.

And I'll tell you, for your information, Mr. Minister, that it was the minister responsible for the Saskatchewan Housing Corporation, the Deputy Premier, who on March 29 proclaimed April New Homes Month in Saskatchewan, and did it in conjunction with the Saskatchewan Home Builders' Association.

And, Mr. Minister, the putative purpose of this proclamation is, quote:

New Homes Month held across Canada provides the housing industry with the opportunity to inform consumers of the benefits of building a new home.

And to this end, if April is New Home Month, to provide consumers with the information, the opportunity to inform consumers, along with the Government of Saskatchewan, about the benefits of building a new home, do you think your government bears any responsibility whatsoever to the issue of new home warranty protection?

**Hon. Mr. Klein:** — I think that I've responded to that before, Mr. Chairman. And I will repeat: I am not at all totally unprepared at any time to discuss new home warranty, and we are totally satisfied at the present time with the program that's in place. We believe that it protects the people that want to use the contractors that belong to that association. Understandably they will be paying a fee for that insurance or that comfort.

If they choose not to use a member contractor from the new home warranty program, again all I can do is say that our department would be prepared to mediate between a contractor and a home purchaser to the degree that we can. However by virtue of an Act of this government that was proclaimed by the NDP, it excludes the intrusion of real estate. I didn't put that there. You people did.

**Mr. Koenker:** — Mr. Minister, what form of mediation would your department be prepared to advance if there was a dispute between a home owner and a contractor or the new home warranty program itself? What form of mediation would you be prepared to offer to a home owner?

**Hon. Mr. Klein:** — I think that we would be prepared to enter discussions between the parties involved to see if there was a resolve or an impasse. If there wasn't, then unfortunately our hands are tied.

**Mr. Koenker:** — So in other words you wouldn't really attempt to mediate; you'd just look at it. What you're saying is you'd look at it to see whether the problem was resolved or whether there was an impasse, as you say, but you wouldn't do any mediation would you?

**Hon. Mr. Klein:** — Well, Mr. Chairman, it wouldn't be unlike a labour dispute. All we can do is do some mediation on it. We can't resolve a dispute.

**Mr. Koenker:** — Mr. Minister, are you prepared to mandate your department to deal with new home warranty issues and matters as they pertain to the Saskatchewan market-place?

**Hon. Mr. Klein:** — If you're suggesting that the Government of Saskatchewan backs the construction of every new home in this province, I doubt it.

**Mr. Koenker:** — Mr. Minister, I'm asking if you're prepared to mandate your department to assume responsibility for dealing with new home warranty problems?

**Hon. Mr. Klein:** — I've responded to that, Mr. Chairman, and I can only advise the member again that there is a new home warranty program available to a consumer that would want to access it. And I'm satisfied with the program that's in place.

**Mr. Koenker:** — Do I take it, Mr. Minister, that you're saying you are not prepared to mandate your department to assume responsibility for new home warranty issues in Saskatchewan?

**Hon. Mr. Klein:** — If Consensus 100 comes back that tells me that we have an overwhelming problem of disreputable contractors in this province, which is what you seem to be inferring, then certainly we will do what we have to do. Right now I am satisfied. By far the majority of home builders in this province are good, reputable tradesmen that want to do the best job that they can . . .

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Klein:** — . . . that are struggling under very difficult times, that are trying to stay alive. And here you are, for some reason or other, condemning them and their work.

**Mr. Koenker:** — Mr. Minister, are you prepared to have your department examine the legislation and programs that exist in other provinces, with respect to new home warranty protection?

**Hon. Mr. Klein:** — My department advises me that they are aware of what is available in the other provinces.

**Mr. Koenker:** — Mr. Minister, are you prepared to establish, perhaps, a consumer complaint registry, such as exists in the province of Manitoba and other provinces, to allow the government to register particular complaints, with respect to various sectors of the economy or the market-place? Are you prepared to activate a consumer complaint registry in Saskatchewan?

**Hon. Mr. Klein:** — If Consensus 100, that will be going out to all areas of the province, determines that that would be a good plan to put in place, we would certainly entertain it.

(1630)

**Mr. Koenker:** — Mr. Minister, are you prepared to have your department examine alternate dispute settlement mechanisms with respect to new home warranty issues in Saskatchewan?

**Hon. Mr. Klein:** — It seems that on one hand you're not satisfied with the one on the free trade agreement. I don't know that you'd ever be satisfied with one that we might bring up for new home warranties. I can tell you that there is a third party association in place that does that very thing. Why duplicate it? Again, I suppose what you're proposing to do is what the NDP have proposed all the time: is bigger government, more government, interfering with people's lives.

**Mr. Koenker:** — Mr. Minister, what I'm proposing, or suggesting, is that your department be about consumer protection. That's all I'm proposing.

Mr. Minister, are you prepared to have your department look at the whole issue of trade training in Saskatchewan as it pertains to the construction industry, and to review some of the standards for the technical institutes, with respect to the building trades and how that might be enhanced to work with the new home warranty people, to enhance standards of construction in Saskatchewan so that consumers can have a better quality product when it enters the market-place, an ounce of prevention being worth a pound of cure?

**Hon. Mr. Klein:** — Well again, Mr. Chairman, I guess I have a lot more faith in the private sector than the members opposite because the home builders' association do that very thing. And I commend them for it. And they do it well, and they do it within their association and they do it without government interference.

I can tell you this, that as it relates to consumer inquiries

and complaints that we can deal with, over the last three years we have dealt with an area of 23 or 4 thousand to 30,000 inquiries in our department, and complaints ranging in the area of 2,600 that we can effectively deal with.

**Mr. Koenker:** — Just for the record then. Again, if a consumer in the market-place has a problem with their new home construction and they can't seek settlement or restitution with the contractor or the new home warranty program, what is your department prepared to do for such a party?

**Hon. Mr. Klein:** — Mr. Chairman, I'd like to refer to something else and maybe the member would understand it. In August of 1989 there was a news release that was put out relating to car buyer protection, and the minister of the day said that Saskatchewan consumers enjoy the best car warranty protection in Canada when it comes to extended or third party warranty coverage. And that is sold by independent warranty companies and automobile manufacturers.

Well I can tell you that when it comes to new home warranties, we have the same thing already by independent members of the construction industry that belong to it. And why you continually attack our contractors is beyond me. I don't know why you don't have any faith in the home builder construction association that are set up to deal with any problems that exist, through their association, and deal with it very effectively. Why do you choose to pick on an independent third party that are doing a pretty darn good job, that offer exactly what you're talking about without government interference, without building up another massive bureaucracy to supply something that's already in place by the private sector. I can't understand that.

**Mr. Koenker:** — Mr. Minister, maybe you can't understand it because I'm not doing that. I'm asking questions today about your department and your responsibilities and government protection of consumers. I'm not asking questions about the New Home Warranty Program of Saskatchewan or attacking them. You're the one that's casting all sorts of aspersions in that regard. What I'm asking you today is, and very simply, this: if a Saskatchewan family has problems with their new home construction, and for whatever reasons they can't effect settlement with the contractor or with the New Home Warranty Program of Saskatchewan, do they have recourse to come to your department, and will your department deal with such a case?

**Hon. Mr. Klein:** — Mr. Chairman, I think that I've already responded to this question three or four or five or six times, I don't know. But let's make it very clear. I am the one here that is defending the New Home Warranty Program of Saskatchewan Inc. I am not taking attack. I have been standing here for about a half an hour defending this association. So you're a way off base on that one. You're the one that seems to have some dissatisfaction in it.

And I've also told you that if there was a problem between a consumer and a contractor, we would try to mediate that dispute. But our hands are tied in going any further

because of an Act that's in place as a result of the former NDP administration.

**Mr. Koenker:** — Mr. Minister, you're defending the new home warranty association. I'm asking questions about your department. We're talking about two different things.

I'd just like to close by asking you: have you conducted discussions with the New Home Warranty Program of Saskatchewan since you've become minister?

**Hon. Mr. Klein:** — I haven't had any formal discussions with them, but my department is in contact with them quite a bit. And I've just been advised as well that in a lot of areas where consumers have chosen to use contractors that are not members of that association, that mediation has occurred, and we have done the very best that we could under the circumstances.

**Mr. Koenker:** — Mr. Minister, is there presently a consumer representative on the New Home Warranty Program of Saskatchewan board?

**Hon. Mr. Klein:** — As I indicated earlier in my remarks, they have made provisions for that, but that person has not yet been appointed, I understand.

**Mr. Koenker:** — Mr. Minister, are you aware of when those provisions were made for consumer representation on the board?

**Hon. Mr. Klein:** — At their last annual meeting.

**Mr. Koenker:** — Mr. Minister, what was date of your department's last contact with the New Home Warranty Program of Saskatchewan?

**Hon. Mr. Klein:** — I understand it was in the area of March 19, 20, 21.

**Ms. Smart:** — Thank you, Mr. Chairman. Mr. Minister, I've listened with some interest to your comments to my colleagues regarding Principal Trust and also regarding this new home owner's program. And I want to question you regarding the numbers of complaints that you've had from people about the collapse of the Principal Trust and the Don Cormie empire. You seem to know how many complaints you've had regarding the new home owner's warranty program. How many complaints, since 1986, has your department had from the people who invested in AIC and IAC?

**Hon. Mr. Klein:** — We haven't kept an accurate record, Mr. Chairman.

**Ms. Smart:** — I doubt that you've kept an accurate record of very much, Mr. Minister. It seems to me that that's one figure that you should have had at the tip of your fingers. That's really quite surprising that you can't tell us that. Mr. Minister, have you read the Ombudsman's report regarding Principal Trust?

**Hon. Mr. Klein:** — Yes.

**Ms. Smart:** — You'll be well aware that there are many,

many senior citizens who invested in this Principal Trust, even though you don't have any record of the numbers of complaints that your department has received. And you should know, as the minister responsible for Consumer and Commercial Affairs now, that many of the people who invested, and particularly the older people, will not have had the money to take part in this court case that you keep referring to. And on their behalf, we are questioning you regarding Principal Trust, because the seniors of this province have lost their money in that investment, and they were depending on you and your department to give them some protection.

You don't even know how many people were involved in this dispute. And you are prescribing to all of them that they should have some sort of investment in the court case, when we don't have class action in Canada. And there are many, many seniors who will not be able to take advantage of this court action because they can't pay the lawyers' fees. They were very much depending on that Ombudsman's report and on the response of your department to help them to retrieve what has been their life savings, whether it's been a small amount of money or a large amount of money. Many, many of those people have been seniors and many of them have been hurt. And I think it's really a shocking admission on your part that you have no record of the number of complaints that you've had, because when we question you about things, you dismiss it as not important if it's only a few.

And we're questioning you about a very serious issue, this collapse of the Donald Cormie empire and the people it hurt. And it doesn't surprise me to hear you not know those figures, because I've heard you say just now in this House that you are not supportive of government monitoring of these groups and of these businesses; you're not supportive of that.

Your complete faith is in private enterprise, so you probably think that Donald Cormie did a wonderful thing when he ripped off all the people in this country who had invested in good faith in his company, and you probably don't see anything wrong with with the need to bring something like that under control.

Mr. Minister, it really is a very serious matter this, of Principal Trust. And I would ask you again, on behalf of the seniors and of the many people who can't afford to go through the courts, what your government is proposing to do, or are you going to stand here and laud the values of private enterprise and lead people to believe that Donald Cormie can get away with it, anybody else can get away with it, and your department's going to turn a blind eye?

**Hon. Mr. Klein:** — Mr. Chairman, again we see by members opposite, unfortunately, chastising my officials, having no respect at all for the department people. We do have a record of the complaints. It's just that I haven't bothered asking them to count whether there is one or 11 or 111. Indeed I don't think that that is material, so please don't condemn the officials. I respect my officials and I think that they're highly qualified.

I won't, Mr. Chairman, go into her total ignorance of business and how it operates or my opinion thereof. I think that I've spoken enough about the respect that I

have for the small business community in this province. And certainly as it relates to the respect for the small business people of this province, it carries forward onto the consumers and the balance of the people of this province. Because without good, sound, solid, honest, business people that do their job well, we would have complete dissatisfaction and chaos with the business community. We don't have that one iota in this province, and you just fail to recognize that. So enough said about that.

But in the meantime, Mr. Chairman, I can tell you that the investors have already received approximately 50 cents on the dollar, and that if they choose to accept the Alberta offer, they would then recover 75 cents on the dollar, or thereabout.

So if they choose to accept that offering, that's their privilege. If they choose to join in a lawsuit, that too is their privilege. And because that whole area is in the courts, I can't say any more than that.

(1645)

**Ms. Smart:** — Mr. Minister, you seem to know how many people were going to court on the Principal Trust, and yet you say you haven't any idea how many complaints have been lodged with your department since 1986 on this very serious matter, which you've now taken control of as Minister of Consumer and Commercial Affairs. I find that shocking, when you've got an Ombudsman's report that very clearly says that the government is responsible for what happened to Principal Trust people and you don't know even know how many complaints have been lodged in your department.

My colleague, the member from Regina Centre, is suggesting that you know perfectly well how many, and that you just don't want to say it in this House. I suspect that he's right. I suspect that you do know but you just have no regard for all those people. You just want to stand up here and give us one arrogant response after another, and you're not taking seriously your job as Minister of Consumer and Commercial Affairs.

Mr. Minister, I want to ask you . . . Mr. Minister, I've been asking you some questions about Principal Trust in my role as the critic for seniors' issues, and I want to turn now to another topic that you're responsible for, and that's the issue of the door-to-door salesman and the direct selling that's going on around the province.

And last year, the Minister of Consumer and Commercial Affairs put out a news release in early May of '89, pointing out that door-to-door salesmen become more proliferate in the spring, going around. There are more of them, Mr. Minister, going around in the spring, more and more door-to-door salesmen coming out. And many of them, and many of them are approaching senior citizens to buy their products. And it's a major concern, particularly in the rural areas, about the harassment of senior citizens regarding door-to-door salesmen.

Has your department informed you of this issue, and would you like to take the opportunity now to describe what you are doing to protect the seniors from



door-to-door salesmen?

**Hon. Mr. Klein:** — Well, Mr. Chairman, first of all we again find, unfortunately, the member from Saskatoon Centre chastising my officials but easing back just a little bit when she confirms that the department indeed knows the number and that I refuse to say it. So the member from Regina Centre confirmed that. So if that's their thinking, Mr. Chairman, then I suppose we'll leave it at that. And I can only repeat that, being that the matter is before the courts, I have no further observation than that.

I can tell you, as it relates to the direct sellers, we have in place a Direct Sellers Act. And again there was a news release issued that indicated that the then minister has urged residents to be cautious when dealing with unfamiliar door-to-door sellers and that warmer weather, as the member pointed out, does bring in a few more complaints, particularly in rural areas, and that they should be very cautious.

We do have the Act in place and we have provided a 10-day cooling off period that they may cancel any direct sale. So I think that all in all, if a consumer out there feels that they have been unfairly dealt with, that the provisions are as adequate as we can deal with them at this point in time.

**Ms. Smart:** — Well, Mr. Minister, it's interesting to hear that response because a couple of months ago the Minister responsible for Seniors was meeting with a group of seniors and assured them that the Department of Consumer and Commercial Affairs — in fact it was the Minister responsible for Consumer and Commercial affairs at that time was there as well — assured them that your department was going to be taking some action to work with seniors, particularly to protect them from some of the scams that are afoot, particularly in the rural areas from door-to-door salesmen.

And you have not outlined any of that to me today, so I assume that though you have promised the seniors that something would be done and that you would be looking at new programs, you actually have nothing to offer. Is that true?

**Hon. Mr. Klein:** — No it's not true. We work continually with seniors and seniors' groups. We have an abundance of material. We have volunteers that go out and talk to these groups that provide information to assist them. We point out the bonding requirements of the door-to-door salesman, we point out the cooling-off periods, we point out a lot of things.

Now if you're suggesting for a moment that we hire a Gestapo of two thousand to travel door-to-door with every direct seller in the business, no, we have no intention of doing that.

**Ms. Smart:** — Interesting that you should use that word Gestapo. I sometimes think if there's any Gestapo in this province, it's the people opposite in terms of how they treat the people.

**Some Hon. Members:** Hear, hear!

**Ms. Smart:** — Mr. Minister, your colleagues did suggest to the seniors that there were going to be new programs put in place to prevent the kind of fraud, and the fly-by-night operators, that are going around the province harassing the seniors. It is a major problem. The police have said it's a major problem. The seniors have said it's a major problem, and your colleagues have said that your department was going to be doing something about it and coming forward with new programs.

What you have told me is that you go around doing educational work, and one of the things that you're saying in your pamphlet to help people with investments is that all investments are monitored by the Securities Commission and that people don't need to worry because it's all well looked after by the government.

And here we have a government that has not protected the Principal Trust people, not protected the seniors in that area, and we have a government that's coming forward with a budget this year which actually cuts the number, the amount of money that's available, and also the amount of staff in the licensing and investigation branch of your department.

Mr. Minister, will you explain to me why you have cut that very important area of work of your department, when the brochures and the information that you pass out suggest to the consumers that licensing information and licensing monitoring and investigation is being well carried out by your department, and yet you're cutting back at a time when the problem is growing?

**Hon. Mr. Klein:** — Well, Mr. Chairman, my critic doesn't know the numbers, and I think that you will be impressed — I hope you will be — with the job that my department is doing. I think they're doing, as I've said all afternoon, a very professional job.

And they have licensed 342 direct sellers. The bonding requirement averages \$9,000 which provides a total protection of over three and a half million dollars to the consumer. Last year, unfortunately, we had to cash in some bonds to protect our consumers. It amounted to \$154,000 that was paid out. There was 444 investigations carried out by this department. There were 22 warnings issued to those direct sellers. There were 85 contracts that were rescinded as a result of those investigations. There was one licence suspended. There were 12 bonds that were secured on and there were nine convictions as a result of those investigations.

I think that rather than attack my department, you should compliment them for the protection that they are providing for the consumers of this province. I know you haven't been aware of those figures before, and I know that you'll have to admit that you're awfully impressed with them.

**Ms. Smart:** — I am attacking you, Mr. Minister, for cutting back on the staff involved with licensing and investigation. It is your government that has cut it from 41 to 36 in this year's budget. It is your government that has cut the amount of money that's available to that section of the Consumer and Commercial Affairs. It's got nothing to do with your officials; it has to do with your government.

You've cut it back. You're the one that's not taking any serious concern to heart regarding this very serious matter. And I want to know why, Mr. Minister, I want to know what you're going to do to protect the seniors of this province.

**Hon. Mr. Klein:** — Well, Mr. Chairman, I guess I'll explain. It seems that the member is hung up on those job losses because we're trying to reduce the size of government. We don't agree with their philosophy, but I should say that one was transferred to administration. That leaves a balance of four that were transferred as a result of the agreement that was made with the credit unions regarding their audit, which they wanted. And if the credit unions wanted them, why would we say no. So that, as a result, we entered into an agreement with the credit unions. They're happy, we're happy, everybody's happy.

We've reduced the size of government and the cost associated with it accordingly. So I really don't know what you're trying to prove.

**Ms. Smart:** — I'm pointing out, Mr. Minister, that you have told us in this House earlier that you have nine staff, nine staff to monitor the direct sales dealers, that also monitor the motor licensing and a whole lot of other things that you listed off here in the House earlier today. That is obviously not enough concern on your part to protect the seniors from the growing problem of door-to-door sales.

Obviously you haven't been out in the rural areas to hear what's happening out there, because it is particularly a concern in the rural areas where seniors are living alone in their homes. I've talked to them about the fact that they can get a salesman in their house who will continue to pressure them for two or three hours at a time; that some of them have not had licences; that there is no way for the senior, when the door-to-door salesman is in their house, to find out whether they have licence or not. It's quite a frightening experience for the older people to be harassed in this way.

You were minister of the housing corporation when the home improvement plan came in, and it was home renovations that are one of the big areas where seniors were being harassed by the direct sellers. They were going around pressuring the seniors, and the seniors have asked your department for help. I know they've asked them for help, and I've heard your colleague say that they were going to provide that help.

Where have you been since you've been made the Minister of Consumer and Commercial Affairs, Mr. Minister? Haven't you paid any attention to this particular area of concern? There's a large population of older people right across this province. You obviously don't care about them in terms of Principal Trust. And you're obviously not caring about them in terms of the direct sellers issue. Is it just part of your ideology that you want to say everything's fine out there, even though the seniors are being hurt? Or what's happening here?

There's a cut-back in the amount of money that's available to licensing and investigation. It's a very serious

section of your department. It's one thing to pass out pamphlets; it's another thing to get right out there and monitor it.

You obviously have not done anything for the seniors, and it is my assumption that you have no intention of doing anything for the seniors. If you're not familiar with the program, with the concern from the seniors, Mr. Minister, I suggest that you make yourself familiar with it very quickly.

May I ask you, Mr. Minister, what you mean in the budget then for "education and market-place relations," which is a new title, shown before as education and communications. What do you mean with this new title of education and market-place relations? Just exactly what is the mandate there?

**Hon. Mr. Klein:** — Well, Mr. Chairman, I can tell you that the member said nine is not enough. I don't know how she knows that nine is not enough. Probably we could have 900 and she would indicate that it's not enough. I don't know how she can just stand up and say that.

I can tell you that the whole branch works at it. That's an additional 27. We don't seem to be overwhelmed in any way, shape, or form. The only one that seems to be demanding more staff, demanding a larger government, are the members of the opposition. I certainly don't hear that demand in my travels anywhere around the province.

The committee reported progress.

The Assembly adjourned at 5 p.m.